



TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD

GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 ext 1100 • FAX (508) 839-4602
www.grafton-ma.gov

**BOARD OF SELECTMEN
MEETING AGENDA**

March 06, 2018
Municipal Center, Conference Room A
7:00 p.m.

CALL TO ORDER

ANNOUNCEMENTS

1. SCHEDULE

- a) Tom Scanlon – FY17 Audit
- b) [Lake Quinsigamond Commission – Peter Collins – Discussion of Lake Quinsigamond Charter Changes](#)

2. RESIGNATIONS

3. APPOINTMENTS

Board of Selectmen:

- a) [Vote to Appoint – L. Stewart Peirce – Election Worker](#)
- b) [Vote to Appoint – Eric H. Van Bockern – Election Worker](#)
- c) [Vote to Appoint – Carol E. Gagne – Election Worker](#)
- d) [Vote to Appoint – Janet M. Simas – Election Worker](#)

4. NEW BUSINESS

- a) [Vote to Sign: Municipal Litigation Engagement Discussion – Opioid Crisis](#)
- b) [Vote to Sign: Quitclaim Deed – Brookmeadow Village](#)
- c) [Vote to Sign: Contract with Vanasse Hangen Brustlin, Inc. – Main Street](#)
- d) [Vote to Approve: Chapter 90 Application: Main Street](#)
- e) [Vote to Sign: Contract to Retain Dodson Flinker - Zoning Change for Worcester Street](#)

5. SELECTMEN REPORTS / TA REPORTS

6. CORRESPONDENCE

7. DISCUSSION

- a) Grafton Upton Railroad Meeting

8. MEETING MINUTES

- a) [Board of Selectmen – February 20, 2018](#)

EXECUTIVE SESSION

MGL Chapter 30A, Sec. 21(3)

Litigation Update

Litigation Strategy

Union Negotiations

Land Negotiation

Non Union Negotiations

Strategy for Negotiations

Minutes

ADJOURN

TOWN OF GRAFTON, MASSACHUSETTS

**INDEPENDENT AUDITOR'S REPORTS PURSUANT
TO GOVERNMENTAL AUDITING STANDARDS
AND UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2017

TOWN OF GRAFTON, MASSACHUSETTS

**Independent Auditors' Reports Pursuant
To Governmental Auditing Standards
And Uniform Guidance**

For the Year Ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CONTENTS	2
 INDEPENDENT AUDITOR'S REPORT ON:	
Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	5-7
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	8-10
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	11
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12
 SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS	13
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	14
 CORRECTIVE ACTION PLAN	15

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Grafton, Massachusetts' basic financial statements, and have issued our report thereon dated February 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Grafton, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Grafton, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 28, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Grafton, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Grafton, Massachusetts' major federal programs for the year ended June 30, 2017. The Town of Grafton, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Grafton, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Grafton, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Grafton, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Grafton, Massachusetts, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Town of Grafton, Massachusetts, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Grafton, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Grafton, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

The Town of Grafton, Massachusetts' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Grafton, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Grafton, Massachusetts' basic financial statements. We issued our report thereon dated February 28, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of

the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 28, 2018

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Agriculture				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	14-110	\$ -	\$ 15,560
National School Lunch Program	10.555	14-110	-	184,757
Total Child Nutrition Cluster			-	200,317
Food Distribution-School Lunch Commodities	10.565	14-110	-	69,552
Total U. S. Department of Agriculture			-	269,869
U. S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607		-	850
COPS Hiring Program - Grant No. 2015UMWX0074	16.710		-	3,019
Total U. S. Department of Justice			-	3,869
U. S. Department of Transportation				
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Homeland Security				
State and Community Highway Safety:				
Traffic Enforcement	20.600		-	9,512
Total U. S. Department of Transportation			-	9,512
Institute of Museum and Library Services				
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners				
Library Services and Technology Act - Full Steam Ahead	45.310		-	2,658
Total Institute of Museum and Library Services			-	2,658
TOTAL FEDERAL AWARDS EXPENDED - PAGE 1 OF 3			\$ -	\$ 285,908

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Education				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies:				
Title I - 2016	84.010	305-069162-2016-0110	\$ -	\$ 11,984
Title I - 2017	84.010	305-094162-2017-0110	-	207,911
Total Title I Grants to Local Educational Agencies			-	219,895
Special Education Cluster:				
Special Education 94-142 Allocation - 2016	84.027	240-182-6-0110-Q	-	4,141
Special Education 94-142 Allocation - 2017	84.027	240-095445-2017-0110	-	622,572
Special Education Program Improvement - 2016	84.027	274-236-6-0110-Q	-	3,885
Special Education Program Improvement - 2017	84.027	274-177-7-0110-R	-	12,491
Early Childhood SPED Program Improvement - 2016	84.173	298-786-6-0110-Q	-	1,209
Early Childhood SPED Program Improvement - 2017	84.173	298-011-7-0110-R	-	866
Total Special Education Cluster - Department of Elementary and Secondary Education			-	645,164
Improving Teacher Quality State Grants:				
Teacher Quality - 2016	84.367	140-081192-2016-0110	-	38,729
Teacher Quality - 2017	84.367	140-095423-2017-0110	-	25,813
Total Improving Teacher Quality State Grants			-	64,542
Passed Through Commonwealth of Massachusetts				
Department of Early Education and Care:				
Special Education Cluster:				
Special Education Early Childhood Allocation - 2017	84.173	EEC-262	-	23,982
Total Special Education Cluster - Department of Early Education and Care			-	23,982
Total U. S. Department of Education			-	953,583
TOTAL FEDERAL AWARDS EXPENDED - PAGE 2 OF 3			\$ -	\$ 953,583

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Health and Human Services				
Passed Through National Association of County and City Health Officials:				
Medical Reserve Corps	93.008		\$ -	\$ 48,293
Passed Through City of Worcester, Massachusetts:				
Public Health Emergency Preparedness	93.069		-	480
Total U. S. Department of Health and Human Services			-	48,773
U. S. Department of Homeland Security				
Passed Through Commonwealth of Massachusetts Emergency Management Agency:				
Emergency Management Performance Grants	97.042		-	3,945
Citizens Corps Program	97.067		-	2,965
Total U. S. Department of Homeland Security			-	6,910
TOTAL FEDERAL AWARDS EXPENDED - PAGE 3 OF 3			-	55,683
TOTAL FEDERAL AWARDS EXPENDED - PAGE 2 OF 3			-	953,583
TOTAL FEDERAL AWARDS EXPENDED - PAGE 1 OF 3			-	285,908
TOTAL FEDERAL AWARDS EXPENDED			\$ -	\$ 1,295,174

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

TOWN OF GRAFTON, MASSACHUSETTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Town of Grafton, Massachusetts, under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Grafton, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Grafton, Massachusetts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS

The Town of Grafton, Massachusetts, has not charged any indirect costs to any of its federal award programs.

NOTE D – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ☒ Yes ☐ None Reported

Type of Auditor's Report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	U. S. Department of Education – Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A significant deficiency in internal control over compliance is reported as finding 2017-001 following on page 13.

SECTION IV – PRIOR YEAR FINDINGS

Status of prior year finding is reported on page 14.

**TOWN OF GRAFTON, MASSACHUSETTS
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS
JUNE 30, 2017**

Finding 2017-001 – Documentation of Internal Control Procedures (Significant Deficiency in Internal Control Over Compliance) – All U. S. Department of Education Grants

Passed Through Commonwealth of Massachusetts Department of Elementary and Secondary Education and Department of Early Education and Care

Criteria:

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), states in section 200.303 that non-federal entities must establish and maintain effective internal control over federal awards that provides the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” (also known the “The Green Book”), issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Green Book states in section OV4.08 that documentation is a necessary part of an effective internal control system.

Condition:

Although the Grafton Public Schools has designed and implemented many internal controls in administering federal award programs, the Grafton Public Schools has not documented their internal control system over federal awards.

Effect:

Lack of documentation of internal control policies and procedures may lead to situations of non-compliance with federal requirements for allowable costs, cash management, etc.

Perspective Information:

This finding was previously reported in the prior year’s audit report as finding 2016-1 and is repeated this year.

Questioned Costs:

None noted.

Recommendation:

We recommend that the Grafton Public Schools establish written policies and procedures for administering federal grant awards.

Views of Responsible Officials and Planned Corrective Actions:

Grafton Public Schools will establish written policies and procedures for administering federal grants in 2018.

**TOWN OF GRAFTON, MASSACHUSETTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017**

Finding 2016-001 – Documentation of Internal Control Procedures (Significant Deficiency in Internal Control Over Compliance) – All U. S. Department of Education Grants

Passed Through Commonwealth of Massachusetts Department of Elementary and Secondary Education and Department of Early Education and Care

Condition:

Although the Grafton Public Schools has designed and implemented many internal controls in administering federal award programs, the Grafton Public Schools has not documented their internal control system over federal awards.

Recommendation:

We recommend that the Grafton Public Schools establish written policies and procedures for administering federal grant awards.

Current Status:

The recommendation has not been implemented. The finding is repeated as current finding 2017-001.

**TOWN OF GRAFTON, MASSACHUSETTS
CORRECTIVE ACTION PLAN
JUNE 30, 2017**

Finding 2017-001:

Grafton Public Schools will establish written policies and procedures for administering federal grants in 2018.

TOWN OF GRAFTON, MASSACHUSETTS

MANAGEMENT LETTER

FOR THE YEAR ENDED JUNE 30, 2017

TOWN OF GRAFTON, MASSACHUSETTS

Management Letter

Year Ended June 30, 2017

Page

TABLE OF CONTENTS.....	2
-------------------------------	----------

INTRODUCTORY LETTER.....	3
---------------------------------	----------

CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Year-End Closing Procedures.....	4
2. Implementation of Future GASB Statements	4

PRIOR YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Deficit Accounts	5
2. Establish Finance Director Position.....	6
3. Review Indirect Costs for Sewer Enterprise Fund	6

To the Board of Selectmen
Town of Grafton
Grafton, Massachusetts

Dear Members of the Board:

In planning and performing our audit of the basic financial statements of the Town of Grafton as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Grafton's internal accounting control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Definitions

- A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We have already discussed these comments and suggestions with Town personnel. We will be pleased to discuss them in further detail and to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the management, the Board of Selectmen, others within the entity and the Commonwealth of Massachusetts Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 28, 2018

CURRENT YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Year-End Closing Procedures

Comment:

During our audit we noted improvement can be made with regard to year-end closing and reporting. We recommend a procedure be implemented to proof free cash amount using the year-end general ledger reports before documents are submitted to DOR for free cash certification. By implementing this procedure it would reduce the risk of free cash being certified at an incorrect amount.

2. Implementation of Future GASB Statements

Comment:

In an effort to enhance financial information of a government's financial statements, the GASB is continually issuing new pronouncements that will effect what is required to be reported in a government's financial statements. Over the past couple years GASB has been active in developing new standards. It is important that the Town be aware of the current and future statements. The following are some of new GASB pronouncements that will be required to be implemented in future fiscal years:

- GASB Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. This statement is required to be implemented in fiscal year 2018.
- GASB Statement No. 83 – *Certain Asset Retirement Obligations*. This statement is required to be implemented in fiscal year 2019.
- GASB Statement No. 84 – *Fiduciary Activities*. This statement is required to be implemented in fiscal year 2020.
- GASB Statement No. 85 – *Omnibus 2017*. This statement is required to be implemented in fiscal year 2018.
- GASB Statement No. 87 – *Leases*. This statement is required to be implemented in fiscal year 2021.

Given the significant impact of these GASB statements on the Town's financial accounting and reporting, we recommend that the Town familiarize and educate themselves with the aforementioned statements to ensure proper implementation.

PRIOR YEAR COMMENTS AND RECOMMENDATIONS – Other Matters

1. Deficit Accounts

Prior Year Comment:

During our audit we noted several accounts that were in deficit at June 30, 2016. A summary is as follows:

Chapter 90 Highway Grant	(a) \$	(162,016)
School Grants	(a)	(38,240)
Police Off-Duty Detail	(a)	(33,589)
Destination Imagination	(a)	(22,514)
Public Safety Grants	(a)	(18,807)
Other	(a)	(12,333)

(a) - DOR Reduction to Free Cash Certification

Our testing on these accounts revealed these accounts were the result of timing issues of receipts and expenditures, lack of timely request for reimbursement from granting agencies and lack of reconciliation from departments to the Town's general ledger. During our fieldwork we had communications with the Town Accountant and other Town Personnel with regard to these accounts.

We recommend the Town financial personnel implement procedures to review all deficit accounts on a periodic basis to determine why they are in deficit and how the deficit will be provided for or eliminated. Furthermore, we recommend that Departments monitor their respective accounts to ensure deficit accounts are properly funded.

Status- Fiscal Year 2017 Audit:

The Town has implement procedures to review on a periodic basis deficit accounts to ensure they are properly funded. However, one deficit account that needs to be provided for is destination imagination, which has a deficit balance at June 30, 2017 of \$24,129. We recommend the deficit be provided for by the end of year (June 30, 2018).

2. Establish Finance Director Position

Prior Year Comment:

The Town currently operates with a General Fund budget in excess of 50 million dollars. The structure of the Town's Finance Department consists of the Town Accountant, Town Treasurer, Tax Collector and Board of Assessors. The structure of the current financial operations of the Town is consistent with smaller municipalities within the Commonwealth.

The Financing Department as a whole is responsible for performing diverse and complex financial and accounting transactions for the Town.

The Town should consider structuring a Finance Department headed by a Finance Director. The Finance Director could also serve as the Town's Chief Financial Officer, who is responsible for establishing and maintaining sound financial policies and controls. This individual could also help work with the various Town boards and departments to create a cohesive financial control environment.

We recommend that the Town consider establishing the position of a finance director.

Status- Fiscal Year 2017 Audit:

The Town has taken our recommendation under consideration, and will monitor the need for a Finance Director Position.

3. Review Indirect Costs for Sewer Enterprise Fund

Prior Year Comment:

The Town maintains an enterprise fund to account for its sewer operations. As part of maintaining the enterprise fund the Town charges the enterprise fund for indirect costs of the Town (i.e. insurance, interdepartmental support). As part of the audit we review the indirect costs and have found them to be proper. However, we noted that the indirect costs do not include a cost for the retirement assessment. We recommend that Town review the indirect cost framework and determine if a cost for retirement should be included.

Status- Fiscal Year 2017 Audit:

The Town has taken our recommendation under advisement. We strongly encourage to review the indirect costs charged to the Sewer fund and to include retirement as part of indirect costs.

TOWN OF GRAFTON, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2017

TOWN OF GRAFTON, MASSACHUSETTS

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF CONTENTS	2
INDEPENDENT AUDITOR'S REPORT	3-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-13
BASIC FINANCIAL STATEMENTS	14
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues and Expenditures – Budgetary Basis – (Non-GAAP) – Budget and Actual – General Fund	21
Reconciliation of Revenues and Expenditures from Budgetary Basis to GAAP Basis	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Net Position – Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	27
Notes to the Financial Statements	28-60
REQUIRED SUPPLEMENTARY INFORMATION	61
Pension Plan Schedules	62-63
Other Post-Employment Benefit Plan (GASB 45) Schedule	64
Other Post-Employment Benefit Plan (GASB 74) Schedules	65-66
SUPPLEMENTARY SCHEDULES	67
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	68-70
Schedule of Real Estate, Personal Property and Rollback Taxes and Community Preservation Surcharge	71
Schedule of Motor Vehicle and Boat Excise Taxes	72
Schedule of Tax Liens	73

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Grafton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Grafton, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grafton, Massachusetts, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Grafton, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2018, on our consideration of the Town of Grafton Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Grafton, Massachusetts' internal control over financial reporting and compliance.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Grafton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$78,469,454 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$82,928,875, a decrease of \$4,459,421 (5%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$19,125,225, an increase of \$851,590 (5%) in comparison with the prior year.
- The General Fund's total fund balance decreased \$211,805 (2%) to \$9,799,751. The ending General fund balance is 16% of revenues, transfers in and the sale of property; and 16% of expenditures and transfers out.
- Total liabilities of the Town increased by \$22,309,859 (24%) to \$116,212,119 during the fiscal year. This net change resulted mainly from net increases in bond anticipation notes payable of \$3,662,130 for a wastewater treatment plant project, in bonds and leases payable of approximately \$11,948,616, in the OPEB obligation payable of \$3,326,426 and in net pension liability of \$3,785,710.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$2,155,663. The key factors that attributed to the free cash amount for fiscal year 2017 were unexpended/unencumbered appropriations of \$675,600, excess over budget state and local receipt of \$412,175, the sale of property of \$200,000 and prior year free cash not appropriated of \$873,900.
- The Town's enterprise fund certified free cash is as follows:
 - Sewer fund \$ 2,219,204.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Grafton's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflow of resources, liabilities and deferred inflows of resources with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activity includes the sewer activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Grafton adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights
Statement of Net Position Highlights

	Governmental Activities		
	2017	2016	Change
Assets:			
Current assets	\$ 24,080,143	\$ 23,567,594	\$ 512,549
Capital assets	117,968,913	122,476,107	(4,507,194)
Total assets	142,049,056	146,043,701	(3,994,645)
Deferred Outflows of Resources:			
Deferred outflows related to pensions	3,885,392	1,766,038	2,119,354
Liabilities:			
Current liabilities (excluding debt and leases)	1,759,217	2,531,868	(772,651)
Current debt	2,647,576	2,584,684	62,892
Noncurrent liabilities (excluding debt and leases)	47,723,244	40,687,029	7,036,215
Noncurrent debt	32,253,330	34,900,906	(2,647,576)
Total liabilities	84,383,367	80,704,487	3,678,880
Deferred Inflows of Resources:			
Deferred inflows related to pensions	150,163	171,233	(21,070)
Net Position:			
Net investment in capital assets	83,080,502	85,007,177	(1,926,675)
Restricted	9,899,457	9,691,965	207,492
Unrestricted	(31,579,042)	(27,765,123)	(3,813,919)
Total net position	\$ 61,400,917	\$ 66,934,019	\$ (5,533,102)

	Business-Type Activities		
	2017	2016	Change
Assets:			
Current assets	\$ 8,043,298	\$ 6,390,848	\$ 1,652,450
Noncurrent assets (excluding capital assets)	540,477	658,418	(117,941)
Capital assets	40,186,186	22,088,998	18,097,188
Total assets	48,769,961	29,138,264	19,631,697
Deferred Outflows of Resources:			
Deferred outflows related to pensions	132,447	60,202	72,245
Liabilities:			
Current liabilities (excluding debt)	2,392,629	2,132,845	259,784
Current debt	11,003,581	7,012,971	3,990,610
Noncurrent liabilities (excluding debt)	1,237,722	1,061,957	175,765
Noncurrent debt	17,194,820	2,990,000	14,204,820
Total liabilities	31,828,752	13,197,773	18,630,979
Deferred Inflows of Resources:			
Deferred inflows related to pensions	5,119	5,837	(718)
Net Position:			
Net investment in capital assets	11,987,785	12,086,027	(98,242)
Restricted	1,779,228	1,865,822	(86,594)
Unrestricted	3,301,524	2,043,007	1,258,517
Total net position	\$ 17,068,537	\$ 15,994,856	\$ 1,073,681

Financial Highlights
Statement of Activities Highlights

	Governmental Activities		
	2017	2016	Change
Program Revenues:			
Charges for services	\$ 3,342,129	\$ 3,236,450	\$ 105,679
Operating grants and contributions	21,205,752	18,852,032	2,353,720
Capital grants and contributions	200,389	499,710	(299,321)
General Revenues:			
Property taxes	38,783,802	36,934,263	1,849,539
Motor vehicle excise and other taxes	3,210,135	2,891,042	319,093
Penalties and interest on taxes	86,887	89,563	(2,676)
Nonrestricted grants	1,569,819	1,485,213	84,606
Unrestricted investment income	68,731	236,298	(167,567)
Gain on sale of capital asset	(150,000)	-	(150,000)
Miscellaneous	17,382	19,143	(1,761)
Total revenues	68,335,026	64,243,714	4,091,312
Expenses:			
General government	3,494,793	3,475,123	19,670
Public safety	4,044,852	3,763,561	281,291
Public works	3,721,385	3,556,579	164,806
Education	40,044,307	37,369,521	2,674,786
Health and human services	600,377	593,702	6,675
Culture and recreation	1,573,689	1,548,109	25,580
Employee benefits and insurance	18,400,925	15,481,961	2,918,964
State assessments	801,705	875,880	(74,175)
Interest	1,369,661	1,457,405	(87,744)
Total expenses	74,051,694	68,121,841	5,929,853
Contributions to permanent funds	20,700	21,075	(375)
Transfers	162,866	140,000	22,866
Change in net position	(5,533,102)	(3,717,052)	(1,816,050)
Net position - beginning of year	66,934,019	70,651,071	(3,717,052)
Net position - end of year	\$ 61,400,917	\$ 66,934,019	\$ (5,533,102)

	Business-Type Activities		
	2017	2016	Change
Program Revenues:			
Charges for services	\$ 2,925,309	\$ 2,507,842	\$ 417,467
Operating grants and contributions	30,000	-	30,000
General Revenues:			
Unrestricted investment income	93,378	163,745	(70,367)
Total revenues	3,048,687	2,671,587	377,100
Expenses:			
Sewer	1,812,140	1,591,333	220,807
Total expenses	1,812,140	1,591,333	220,807
Transfers	(162,866)	(140,000)	(22,866)
Change in net position	1,073,681	940,254	133,427
Net position - beginning of year	15,994,856	15,054,602	940,254
Net position - end of year	\$ 17,068,537	\$ 15,994,856	\$ 1,073,681

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78,469,454 at the close of fiscal year 2017.

Net position of \$95,068,287 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$11,678,685 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$28,277,518).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

The business-type activities are able to report positive balances in all three categories of net position.

The governmental activities net position decreased by \$5,533,102 (8%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2017 was attributed to increases as a result of the repayment of debt and lease principal of \$2,584,684 and in the change in deferred outflow/inflow of resources related to pensions of \$2,140,424 and to decreases in the depreciation expense (normally spread out over the useful life of the asset) for the year of \$5,434,931 and the sale of capital assets of \$350,000 exceeding the acquisition of \$1,277,737 in new capital assets; in recognizing this year's OPEB obligation of \$3,279,002 and net pension liability of \$3,660,915.

There was an increase of \$1,073,681 (7%) in net position reported in connection with the sewer business-type activity.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, the *general fund unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$19,125,225 an increase of \$851,590 (5%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$740,544 (4%)
- Restricted fund balance – \$6,907,091 (36%)
- Committed fund balance – \$3,338,909 (18%)
- Assigned fund balance – \$1,170,627 (6%)
- Unassigned fund balance – \$6,968,054 (36%)

Major Governmental Funds

At the end of the fiscal year, the General Fund reported a total fund balance of \$9,799,751 decreasing \$211,805 (2%) from the prior year. Of the \$9,799,751, the unassigned amount is \$6,968,054 (71%), the assigned amount is \$1,170,627 (12%), the committed amount is \$956,585 (10%) and the restricted amount is \$704,485 (7%). General fund revenues were \$4,000,631 (7%) more than the prior fiscal year and expenditures also increased by \$3,660,216 (6%). Other activities in the General Fund are net transfers to the nonmajor governmental funds of \$1,572,245 and a transfer in from the sewer business-type activity of \$162,866.

The main components of the change in general fund revenues as compared to the prior year are related to an increase property taxes in the amount of \$1,667,589 (5%) and in intergovernmental – “on-behalf” payments of \$1,991,774 (41%).

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in Education expenditures of \$1,169,879 (4%).
- Increase in Employee benefits and insurance of \$2,714,704 (25%).

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Fund

The *Sewer Fund* has accumulated a fund balance of \$17,068,537 used in the financing and operations of the Town's sewer system. The fund shows an increase of \$1,073,681 (7%) in total operations. This change is attributed to current operational revenues exceeding the current operational expenses by \$1,266,020, investment and other income of \$123,378, special assessments revenue of \$28,577, interest expense of \$181,428 and transfers to the general fund of \$162,866. Operating revenues increased by \$474,780 (24%), which is directly related to a rate increase, while operating expenses decreased by \$28,150 (2%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2017 was \$56,597,063. This was an increase of \$1,871,650 (3%) over the previous year's budget.

There was an increase between the total original budget and the total final amended budget. The change is attributed to adjustments voted at various special town meetings for various budget operating line items.

General fund expenditures were less than budgeted by \$1,956,662. Of the \$1,956,662 in under budget expenditures, \$1,281,018 has been carried over to fiscal year 2018.

There is a negative variance in property taxes of \$20,141 and in interest on taxes of \$12,103 as expectations (budget) were higher than the receipts. Another negative variance exists in investment income of \$6,838 as a result of the current economy.

A negative variance exists in education expenditures of \$13 as the expenses exceeded the budget and in State assessments of \$9,237 as the Town had higher assessments due to a higher assessments in the registry of motor vehicles non-renewal surcharges of \$2,300 and in charter school sending tuitions of \$36,671 and in special education of \$1,736; and a lower assessment in the school choice sending tuitions of \$49,944.

The variance with the final budget was a positive \$1,067,678 consisting of a revenue surplus of \$392,034 and an appropriation surplus of \$675,644.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$117,968,913 and \$40,186,186, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Municipal center selectman's meeting room improvements for \$112,690.
- Facility energy/envelope upgrades for \$4,620.
- Town House improvements for \$63,143.
- Police Station security system for \$16,490.
- Police vehicle purchases for \$72,984.
- Fire Station boiler replacement for \$29,350.
- Department of public works vehicle and equipment purchases for \$237,495.
- Road and sidewalk infrastructure improvements for \$628,442.
- School vehicle and equipment purchases for \$80,403.
- Silver Lake beach building addition for \$30,230.
- Upton Street Park improvements for \$1,890.

Major capital events in the business-type funds included the following:

- Sewer vehicle purchase for \$203,578.
- Sewer Waste Water Treatment Plant improvements for \$18,336,275.

Debt. The Town's outstanding governmental debt as of June 30, 2017 totaled \$34,777,495 consisting of \$27,865,000 for the new high school, \$1,100,000 for the new fire station, \$150,000 for school modular classrooms, \$675,000 for land acquisition, \$3,960,000 for energy conservation projects, \$1,015,000 for the Town House restoration and \$12,495 for the Title V septic repair program.

The Town also has a capital lease for the financing of a fire department rescue truck. The lease is due in 2018. The Town currently owes \$126,373 on the lease consisting of \$123,411 in principal and \$2,962 in interest.

The business-type fund has \$17,603,300 in sewer debt.

The business-type activity currently has a \$10,595,101 in bond anticipation note outstanding.

Please refer to notes 3D, 3F, 3G and 3H for further discussion of the major capital assets and debt activity.

Next Year's Annual Town Meeting

The Town of Grafton operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2017 do not reflect the fiscal year 2018 Town Meeting action actions with the exception of the fund balance (free cash) and continuing appropriations amounts used to fund the budget. The Annual Town and Special Town Meetings on May 8, 2017 authorized a fiscal year 2018 operating and capital budget as follows:

From the tax levy		\$ 54,792,662
From sewer receipts	\$ 1,509,764	
From sewer betterments	37,888	
From sewer retained earnings	<u>690,403</u>	2,238,055
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash	846,194	
Continuing Appropriations	<u>74,006</u>	920,200
Non-major Governmental Funds:		
Community preservation fund		<u>171,475</u>
		<u><u>\$ 58,122,392</u></u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Grafton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 30 Providence Road Grafton, Massachusetts.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 11,828,495	\$ 696,647	\$ 12,525,142
Investments	7,947,285	4,702,929	12,650,214
Receivables, net of allowance for uncollectibles:			
Property Taxes	408,650	-	408,650
Tax Liens	959,902	-	959,902
Excise Taxes	344,006	-	344,006
Departmental	23,478	-	23,478
User Charges	-	345,826	345,826
Special Assessments	-	109,854	109,854
Due from Other Governments	2,568,326	2,188,042	4,756,368
Total current assets	24,080,142	8,043,298	32,123,440
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	540,477	540,477
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	15,536,383	28,819,960	44,356,343
Depreciable	102,432,530	11,366,226	113,798,756
Total noncurrent assets	117,968,913	40,726,663	158,695,576
Total Assets	142,049,055	48,769,961	190,819,016
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	3,885,392	132,447	4,017,839
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	509,312	2,263,199	2,772,511
Accrued Payroll	210,571	7,545	218,116
Payroll Withholdings	383,792	-	383,792
Accrued Interest	369,702	96,935	466,637
Other	63,040	-	63,040
Compensated Absences	222,800	24,950	247,750
Bond Anticipation Notes Payable	-	10,595,101	10,595,101
Bonds and Leases Payable	2,647,576	408,480	3,056,056
Total current liabilities	4,406,793	13,396,210	17,803,003
NONCURRENT:			
Compensated Absences	621,520	48,905	670,425
OPEB Obligation Payable	22,989,472	366,866	23,356,338
Net Pension Liability	24,112,252	821,951	24,934,203
Bonds and Leases Payable	32,253,330	17,194,820	49,448,150
Total noncurrent liabilities	79,976,574	18,432,542	98,409,116
Total Liabilities	84,383,367	31,828,752	116,212,119
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	150,163	5,119	155,282
NET POSITION			
Net Investment in Capital Assets	83,080,502	11,987,785	95,068,287
Restricted for:			
Capital Projects	133,362	240,711	374,073
Federal & State Grants	3,177,430	-	3,177,430
Community Preservation	1,092,916	-	1,092,916
Permanent Funds:			
Nonexpendable	740,544	-	740,544
Expendable	511,691	-	511,691
Other Purposes	4,243,514	1,538,517	5,782,031
Unrestricted	(31,579,042)	3,301,524	(28,277,518)
Total Net Position	\$ 61,400,917	\$ 17,068,537	\$ 78,469,454

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,494,793	\$ 512,840	\$ 436,281	\$ -	\$ (2,545,672)	\$ -	\$ (2,545,672)
Public Safety	4,044,852	850,075	311,608	-	(2,883,169)	-	(2,883,169)
Public Works	3,721,385	408,763	17,125	200,389	(3,095,108)	-	(3,095,108)
Education	40,044,307	1,028,506	13,430,526	-	(25,585,275)	-	(25,585,275)
Health and Human Services	600,377	179,664	111,340	-	(309,373)	-	(309,373)
Culture and Recreation	1,573,689	362,281	63,061	-	(1,148,347)	-	(1,148,347)
Employee Benefits and Insurance	18,400,925	-	6,834,983	-	(11,565,942)	-	(11,565,942)
State Assessments	801,705	-	-	-	(801,705)	-	(801,705)
Interest	1,369,661	-	828	-	(1,368,833)	-	(1,368,833)
Total Governmental Activities	74,051,694	3,342,129	21,205,752	200,389	(49,303,424)	-	(49,303,424)
Business-Type Activities:							
Sewer	1,812,140	2,925,309	30,000	-	-	1,143,169	1,143,169
Total Primary Government	\$ 75,863,834	\$ 6,267,438	\$ 21,235,752	\$ 200,389	(49,303,424)	1,143,169	(48,160,255)
General Revenues:							
Property Taxes					38,783,802	-	38,783,802
Motor vehicle excise and other taxes					3,210,135	-	3,210,135
Penalties & Interest on Taxes					86,887	-	86,887
Grants & Contributions not restricted to specific programs					1,569,819	-	1,569,819
Unrestricted Investment Income					68,731	93,378	162,109
Gain/(Loss) on Sale of Capital Assets					(150,000)	-	(150,000)
Miscellaneous					17,382	-	17,382
Contributions to Permanent Funds					20,700	-	20,700
Transfers, net					162,866	(162,866)	-
Total General Revenues, Contributions and Transfers					43,770,322	(69,488)	43,700,834
Change in Net Position					(5,533,102)	1,073,681	(4,459,421)
Net Position:							
Beginning of year					66,934,019	15,994,856	82,928,875
End of year					\$ 61,400,917	\$ 17,068,537	\$ 78,469,454

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 6,540,759	\$ 5,287,736	\$ 11,828,495
Investments	4,016,107	3,931,178	7,947,285
Receivables, net of allowance for uncollectibles:			
Property Taxes	405,190	3,460	408,650
Tax Liens	955,698	4,204	959,902
Excise Taxes	344,006	-	344,006
Departmental	1,450	22,028	23,478
Due from Other Governments	71,761	2,496,565	2,568,326
Total Assets	\$ 12,334,971	\$ 11,745,171	\$ 24,080,142
Liabilities:			
Warrants and Accounts Payable	\$ 362,425	\$ 146,887	\$ 509,312
Accrued Payroll	202,078	8,493	210,571
Payroll Withholdings	383,792	-	383,792
Other	63,040	-	63,040
Total Liabilities	1,011,335	155,380	1,166,715
Deferred Inflows of Resources:			
Unavailable Revenue	1,523,885	2,264,317	3,788,202
Fund Balance:			
Nonspendable	-	740,544	740,544
Restricted	704,485	6,202,606	6,907,091
Committed	956,585	2,382,324	3,338,909
Assigned	1,170,627	-	1,170,627
Unassigned	6,968,054	-	6,968,054
Total Fund Balance	9,799,751	9,325,474	19,125,225
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,334,971	\$ 11,745,171	\$ 24,080,142

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 38,261,998	\$ 397,396	\$ 38,659,394
Intergovernmental	12,726,812	2,753,644	15,480,456
Excise and Other Taxes	3,008,451	-	3,008,451
Charges for Services	-	2,038,090	2,038,090
Licenses, Permits, Fees	1,485,586	-	1,485,586
Interest on Taxes	86,397	490	86,887
Investment Income	68,731	23,914	92,645
Gifts and Donations	-	70,538	70,538
Other	-	342,749	342,749
Intergovernmental - "On-behalf" Payments	6,834,450	-	6,834,450
Total Revenues	62,472,425	5,626,821	68,099,246
Expenditures:			
Current:			
General Government	2,581,386	593,728	3,175,114
Public Safety	3,211,236	513,848	3,725,084
Public Works	3,054,009	735,334	3,789,343
Education	33,254,374	3,494,563	36,748,937
Health and Human Services	443,124	148,507	591,631
Culture and Recreation	943,004	380,167	1,323,171
Employee Benefits and Insurance	13,501,076	100,356	13,601,432
State Assessments	801,705	-	801,705
Debt Service:			
Principal	2,355,000	109,165	2,464,165
Interest	1,329,937	60,003	1,389,940
Total Expenditures	61,474,851	6,135,671	67,610,522
Excess of Revenues Over (Under) Expenditures	997,574	(508,850)	488,724
Other Financing Sources (Uses):			
Operating Transfers In	184,860	1,594,239	1,779,099
Operating Transfers Out	(1,594,239)	(21,994)	(1,616,233)
Sale of Property	200,000	-	200,000
Total Other Financing Sources (Uses)	(1,209,379)	1,572,245	362,866
Net Change in Fund Balances	(211,805)	1,063,395	851,590
Fund Balances, Beginning of Year	10,011,556	8,262,079	18,273,635
Fund Balances, End of Year	\$ 9,799,751	\$ 9,325,474	\$ 19,125,225

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2017

Total Governmental Fund Balances		\$ 19,125,225
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		117,968,913
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,788,202
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions		3,735,229
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and Leases Payable	\$ (34,900,906)	
Other Post Employment Benefits Payable	(22,989,472)	
Net Pension Liability	(24,112,252)	
Compensated Absences	<u>(844,320)</u>	(82,846,950)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in the governmental funds interest is not reported until due.		<u>(369,702)</u>
Net Position of Governmental Activities		<u><u>\$ 61,400,917</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	851,590
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The Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:

Capital Outlay Purchases	\$ 1,277,737	
Sale of Capital Assets	(350,000)	
Depreciation	<u>(5,434,931)</u>	(4,507,194)

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.

406,480

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of Debt and Lease Principal	2,584,684
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net Change in Compensated Absences	(89,448)	
Net Change in Other Post Employment Benefits	(3,279,002)	
Net Change in Net Pension Liability	(3,660,915)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	2,140,424	
Net Change in Accrued Interest on Long-Term Debt	<u>20,279</u>	<u>(4,868,662)</u>

Change in Net Position of Governmental Activities	\$	<u>(5,533,102)</u>
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The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget			
Revenues:						
Property Taxes	\$ -	\$ 38,033,104	\$ 38,110,739	\$ 38,090,598	\$ -	\$ (20,141)
Intergovernmental	-	12,579,209	12,579,209	12,726,812	-	147,603
Excise and Other Taxes	-	2,827,800	2,827,800	3,008,451	-	180,651
Licenses, Permits, Fees	-	1,382,724	1,382,724	1,485,586	-	102,862
Interest on Taxes	-	98,500	98,500	86,397	-	(12,103)
Investment Income	-	45,000	45,000	38,162	-	(6,838)
Total Revenues	-	54,966,337	55,043,972	55,436,006	-	392,034
Expenditures:						
Current:						
General Government	307,404	2,746,180	3,005,151	2,581,386	234,759	189,006
Public Safety	88,210	3,372,475	3,411,105	3,211,236	103,635	96,234
Public Works	487,901	3,068,125	3,745,048	3,054,009	460,273	230,766
Education	191,452	33,178,287	33,369,739	33,254,374	115,378	(13)
Health and Human Services	6,980	522,235	511,338	443,124	29,581	38,633
Culture and Recreation	308,635	957,244	1,337,879	943,004	327,092	67,783
Employee Benefits and Insurance	-	6,287,217	6,739,397	6,666,626	10,300	62,471
State Assessments	-	792,468	792,468	801,705	-	(9,237)
Debt Service:						
Principal	-	2,355,000	2,355,000	2,355,000	-	-
Interest	-	1,329,938	1,329,938	1,329,937	-	1
Total Expenditures	1,390,582	54,609,169	56,597,063	54,640,401	1,281,018	675,644
Excess of Revenues Over (Under) Expenditures	(1,390,582)	357,168	(1,553,091)	795,605	(1,281,018)	1,067,678
Other Financing Sources (Uses):						
Operating Transfers In	-	160,000	260,000	284,860	-	24,860
Operating Transfers (Out)	-	(1,545,000)	(1,591,600)	(1,594,199)	-	(2,599)
Sale of Property	-	-	-	200,000	-	200,000
Total Other Financing Sources (Uses)	-	(1,385,000)	(1,331,600)	(1,109,339)	-	222,261
Net Change in Budgetary Fund Balance	(1,390,582)	(1,027,832)	(2,884,691)	(313,734)		\$ 1,289,939
Other Budgetary Items:						
Free Cash and Other Reserves	-	1,113,911	1,580,188			
Prior Year Deficits	-	(86,079)	(86,079)			
Prior Year Encumbrances	1,390,582	-	1,390,582			
Total Other Budgetary Items	1,390,582	1,027,832	2,884,691			
NET BUDGET	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 55,436,006	\$ 54,640,401
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	30,569	-
Net Increase in Revenue from recording Refund Taxes Payable	85,400	-
Recognition of Intergovernmental Revenue - "on behalf payments"	6,834,450	-
Recognition of Expenditures - "on behalf payments"	-	6,834,450
Net Increase in Revenue from Recording 60-Day Receipts	86,000	-
Reported on a GAAP Basis	<u>\$ 62,472,425</u>	<u>\$ 61,474,851</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2017**

	Business-Type Activities Enterprise Fund
	Sewer Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 696,647
Investments	4,702,929
User Charges, net of allowance for uncollectibles	345,826
Special Assessments	109,854
Due from Other Governments	2,188,042
Total current assets	<u>8,043,298</u>
NONCURRENT:	
Special Assessments	540,477
Capital Assets, net of accumulated depreciation	
Nondepreciable	28,819,960
Depreciable	11,366,226
Total noncurrent assets	<u>40,726,663</u>
Total Assets	<u><u>48,769,961</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	<u>132,447</u>
LIABILITIES	
CURRENT:	
Accounts Payable	2,263,199
Accrued Payroll	7,545
Accrued Interest	96,935
Compensated Absences	24,950
Notes Payable	10,595,101
Bonds Payable	408,480
Total current liabilities	<u>13,396,210</u>
NONCURRENT:	
Compensated Absences	48,905
OPEB Obligation Payable	366,866
Net Pension Liability	821,951
Bonds Payable	17,194,820
Total noncurrent liabilities	<u>18,432,542</u>
Total Liabilities	<u><u>31,828,752</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>5,119</u>
NET POSITION	
Net Investment in Capital Assets	11,987,785
Restricted for Betterments	1,538,517
Restricted for Capital	240,711
Unrestricted	3,301,524
Total Net Position	<u><u>\$ 17,068,537</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities Enterprise Fund
	Sewer Fund
Operating Revenues:	
Charges for Services	\$ 2,881,249
Other	15,483
Total Operating Revenues	<u>2,896,732</u>
Operating Expenses:	
Salaries & Wages	428,736
Operating Expenses	759,311
Depreciation	442,665
Total Operating Expenses	<u>1,630,712</u>
Operating Income (Loss)	<u>1,266,020</u>
Non-Operating Revenues (Expenses):	
Investment Income	93,378
Other	30,000
Assessments	28,577
Interest Expense	(181,428)
Total Non-Operating Revenues (Expenses)	<u>(29,473)</u>
Income (Loss) Before Operating Transfers	1,236,547
Operating Transfers:	
Transfers In/(Out)	(162,866)
Total Operating Transfers	<u>(162,866)</u>
Change in Net Position	<u>1,073,681</u>
Net Position at Beginning of Year	<u>15,994,856</u>
Net Position at End of Year	<u><u>\$ 17,068,537</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities Enterprise Fund
	Sewer Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 2,806,722
Receipts from Other Revenues	15,483
Payments to Vendors	(615,834)
Payments to Employees	(421,586)
Net Cash Provided by (Used for) Operating Activities	1,784,785
Cash Flows from Noncapital Financing Activities:	
Transfers from (to) Other Funds	(162,866)
Net Cash Provided by (Used for) Noncapital Financing Activities	(162,866)
Cash Flows from Capital and Related Financing Activities:	
Assessments	133,085
Other	30,000
MCWT Project Drawdowns	18,145,581
Acquisition and Construction of Capital Assets	(18,410,004)
Principal Payments on Bonds	(80,000)
Interest Expense	(99,319)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(280,657)
Cash Flows from Investing Activities:	
Investment Income	93,378
Proceeds/(Purchase) of Investments	(1,660,386)
Net Cash Provided by (Used for) Investing Activities	(1,567,008)
Net Increase (Decrease) in Cash and Cash Equivalents	(225,746)
Cash and Cash Equivalents at Beginning of Year	922,393
Cash and Cash Equivalents at End of Year	\$ 696,647

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used For) Operating Activities:**

Operating Income (Loss)	\$ 1,266,020
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	442,665
Deferred (Outflows)/Inflows of Resources Related to Pensions	(72,963)
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	44,221
Increase (Decrease) in Accrued Payroll	1,628
Increase (Decrease) in Compensated Absences	5,522
Increase (Decrease) in OPEB Obligation Payable	47,424
Increase (Decrease) in Net Pension Liability	124,795
Decrease (Increase) in User Charges Receivable	(74,527)
Total Adjustments	518,765
Net Cash Provided by (Used for) Operating Activities	\$ 1,784,785

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	<div> <div>Other</div> <div>Post Employment</div> <div>Benefits</div> <div>Trust Fund</div> </div> <div> <div>Private</div> <div>Purpose</div> <div>Trust Funds</div> </div> <div> <div>Agency</div> <div>Funds</div> </div>		
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 1,067	\$ 343,101
Investments	107,348	363,111	3,428
Total Assets	107,348	364,178	346,529
LIABILITIES			
Warrants Payable	-	-	7,385
Due to Others	-	-	6,310
Due to Student Groups	-	-	118,459
Escrows and Deposits	-	-	214,375
Total Liabilities	-	-	346,529
NET POSITION			
Held in Trust for Other Purposes	\$ 107,348	\$ 364,178	\$ -

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GRAFTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 1,316,568	\$ -
Private Donations	-	6,160
Investment Income	4,398	3,656
Total Additions	1,320,966	9,816
Deductions		
Educational Scholarships	-	9,686
Insurance and Employee Benefits	1,216,568	-
Total Deductions	1,216,568	9,686
Change in Net Position	104,398	130
Net Position at Beginning of Year	2,950	364,048
Net Position at End of Year	\$ 107,348	\$ 364,178

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Grafton, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1735 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2017, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Grafton Housing Authority, the Grafton Water District, the South Grafton Water District and the Blackstone Valley Regional Vocational Technical High School. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Grafton Housing Authority – A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Grafton Water District and South Grafton Water District – Districts that provide water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the districts.

Blackstone Valley Regional Vocational Technical High School – A regional school district made up of thirteen communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects one district committee member for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile ending net position and the change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),
- and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Proprietary and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The Town reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *sewer fund* is used to account for the sewer activities.

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Additionally, the Town reports the following fund types:

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *Other Postemployment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

E. Investments

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.

F. Receivables

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Property Taxes, Deferred Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2016 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town accepted the provisions of the Massachusetts General Laws Chapter 59, Section 57C which enables the Town to have a quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for fiscal year 2017 on June 30, 2016 and September 30, 2016 that were due on August 1, 2016 and November 1, 2016 and the actual tax bills were mailed on December 30, 2016 and March 31, 2017 and were due on February 1, 2017 and May 1, 2017.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2017 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2017	\$ 34,426,844
Add: Debt Exclusion	3,190,258
Add: Road Stabilization override	1,500,000
Maximum Levy Limit	<u>\$ 39,117,102</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The total amount raised by taxation was \$38,365,791.

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

Excise Taxes

Excise taxes consist of motor vehicle excise and boat excise. Excise taxes are assessed annually for each vehicle and boat registered in the Town, and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The Board of Assessors of the Town is responsible for determining the value of each boat.

The tax calculation for motor vehicle excise taxes is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is based on historical trends and specific account analysis.

User Charges

User charges and fees consist of sewer that is levied based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed each year and are included as a lien on the property owner's tax bill. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

The allowance for uncollectibles is based upon historical trends and specific account analysis.

Departmental

Departmental receivables consist of police off-duty details and assessor's fees.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Special Assessments

Special assessments consist of sewer betterments in the business-type activities.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

G. Capital Assets

Capital assets of the primary government include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g. roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	10-40
Machinery, equipment and other	3-15
Infrastructure	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

H. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the only item in this category is *deferred outflows related to pensions*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category is *deferred inflows related to pensions*.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property and excise taxes; departmental revenue and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Net Position and Fund Balances

In the Governmental-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" - represents amounts restricted by the federal and state government for various programs.

"Community preservation fund" represents amounts that are restricted for the preservation of open space, historical resources and community housing.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

K. Long-term Debt

Long-term debt of the primary government is reported as liabilities in the government-wide statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

M. Pension Benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions), are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% to 73% share of insurance premiums for retirees, spouses and surviving spouses in the general fund in the fiscal year paid.

O. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

P. Total Column

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Requests for appropriation are submitted by departments to the Finance Committee.
- Finance committee meets with various departments to discuss the appropriation.
- Finance committee recommends the budget and presents the budget at the annual Town meeting.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

For fiscal year 2017, the Town incurred a final budget deficit of \$2,884,691 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 1,580,188
Reserve for deficits	(86,079)
Prior year's encumbrances	1,390,582
	<u>\$ 2,884,691</u>

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2017 were \$15,365,022. Of these, \$4,645,035 are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. MMDT's fair value is measured at amortized cost.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

As of June 30, 2017, the Town had the following investments:

Investment Type	Fair Value	(in Years)	
		Less Than 1	1 to 5
Debt Securities:			
U. S. treasury obligations	\$ 1,271,624	\$ -	\$ 1,271,624
U. S. government agencies	3,453,018	-	3,453,018
Corporate bonds	1,582,472	155,017	1,427,455
Money market mutual fund	115,985	115,985	-
	6,423,099	\$ 271,002	\$ 6,152,097
Other Investments:			
Certificates of deposits	3,040,221		
Equity mutual funds	623,835		
Equity securities - domestic	2,566,419		
MMDT	470,527		
	\$ 13,124,101		

Custodial Credit Risks

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$13,124,101 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town's exposure to credit risk as of June 30, 2017 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
U. S. Treasury Obligations:	
Aaa	\$ 1,271,624
U. S. Government Agencies:	
Aaa	3,453,018
Corporate Bonds:	
A2	160,411
A3	309,048
Baa1	1,113,013
Money Market Mutual Funds:	
Not rated	115,985
	<u>\$ 6,423,099</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. More than 5 percent of the Town's investments are Federal Home Loan Mortgage Corp. amounting to 20.46% of the Town's total investments.

Fair Value of Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Fair Value	Fair Value Measurements			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level:					
U. S. treasury obligations	\$ 1,271,624	\$ 1,271,624	\$ -	\$ -	
U. S. government agencies	3,453,018	3,453,018	-	-	
Certificates of deposit	3,040,221	3,040,221	-	-	
Equity mutual funds	623,835	623,835	-	-	
Equity securities - domestic	2,566,419	2,566,419	-	-	
Money market mutual fund	115,985	115,985	-	-	
Corporate bonds	1,582,472	-	1,582,472	-	
	12,653,574	\$ 11,071,102	\$ 1,582,472	\$ -	
Investments Measured at Amortized Cost:					
External Investment Pools (MMDT)	470,527				
Total Investments	\$ 13,124,101				

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

B. Receivables

At June 30, 2017, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts of the primary government, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and non-major governmental funds:			
Property taxes including community preservation surcharge	\$ 424,858	\$ (16,208)	\$ 408,650
Tax liens	959,902	-	959,902
Excise taxes	364,439	(20,433)	344,006
Departmental	23,478	-	23,478
Due from other governments	2,568,326	-	2,568,326
	<u>\$ 4,341,003</u>	<u>\$ (36,641)</u>	<u>\$ 4,304,362</u>

At June 30, 2017, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer activities:			
User charges	\$ 300,058	\$ (14,873)	\$ 285,185
Tax liens	60,641	-	60,641
Special assessments	650,331	-	650,331
Due from other governments	2,188,042	-	2,188,042
	<u>\$ 3,199,072</u>	<u>\$ (14,873)</u>	<u>\$ 3,184,199</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The composition of amounts due from other governments as of June 30, 2017 for governmental funds and the business-type activities are as follows:

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Revenue:

Veterans, blind and surviving spouse \$ 29,763

Department of Veterans Services:

Veterans benefits 41,998 \$ 71,761

Nonmajor Governmental Funds:

U. S. Department of Agriculture:

School lunch 11,395

U. S. Department of Education:

School title grants 135,515

U. S. Department of Homeland Security

Emergency management agency grants 3,945

Commonwealth of Massachusetts:

Department of Elementary and Secondary Education:

School lunch 536

Executive Office of Public Safety & Homeland Security:

Public safety grants 9,239

Massachusetts School Building Authority

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds 2,333,706

Other: 2,229 2,496,565

\$ 2,568,326

Business-Type Funds:

Sewer Fund:

Commonwealth of Massachusetts:

Massachusetts Clean Water Trust:

Sewer project \$ 2,188,042

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Governmental Funds:

General fund:

Property taxes	\$	195,190		
Tax liens		955,698		
Excise taxes		344,006		
Departmental		1,450		
Due from other governments		27,541	\$	1,523,885

Nonmajor governmental funds:

Property taxes		3,460		
Tax liens		4,204		
Due from other governments		2,256,653		2,264,317
			\$	<u>3,788,202</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2017, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 15,872,428	\$ -	\$ (350,000)	\$ 15,522,428
Construction in Progress	10,112,762	86,488	(10,185,295)	13,955
Total capital assets not being depreciated	25,985,190	86,488	(10,535,295)	15,536,383
Capital assets being depreciated:				
Buildings and Renovations	119,640,265	10,324,230	-	129,964,495
Machinery, equipment and other	7,565,262	390,882	(365,297)	7,590,847
Infrastructure	10,547,347	661,432	-	11,208,779
Total capital assets being depreciated	137,752,874	11,376,544	(365,297)	148,764,121
Less accumulated depreciation for:				
Buildings and Renovations	32,036,255	4,435,390	-	36,471,645
Machinery, equipment and other	5,878,766	459,142	(365,297)	5,972,611
Infrastructure	3,346,936	540,399	-	3,887,335
Total accumulated depreciation	41,261,957	5,434,931	(365,297)	46,331,591
Total capital assets being depreciated, net	96,490,917	5,941,613	-	102,432,530
Total governmental activities capital assets, net	\$ 122,476,107	\$ 6,028,101	\$ (10,535,295)	\$ 117,968,913

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in Progress	\$ 10,483,685	\$ 18,336,275	\$ -	\$ 28,819,960
Total capital assets not being depreciated	10,483,685	18,336,275	-	28,819,960
Capital assets being depreciated:				
Machinery, equipment and other	234,873	203,578	(7,094)	431,357
Infrastructure	32,021,084	-	-	32,021,084
Total capital assets being depreciated	32,255,957	203,578	(7,094)	32,452,441
Less accumulated depreciation for:				
Machinery, equipment and other	211,129	33,205	(7,094)	237,240
Infrastructure	20,439,515	409,460	-	20,848,975
Total accumulated depreciation	20,650,644	442,665	(7,094)	21,086,215
Total capital assets being depreciated, net	11,605,313	(239,087)	-	11,366,226
Total governmental activities capital assets, net	\$ 22,088,998	\$ 18,097,188	\$ -	\$ 40,186,186

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 515,249
Public safety	551,107
Public works	788,238
Education	3,291,086
Health and human services	12,364
Culture and recreation	276,887
Total depreciation expense - governmental activities	<u>\$ 5,434,931</u>

Business-Type Activities:

Sewer fund	<u>\$ 442,665</u>
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E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2017, are summarized below:

Transfers In:	Transfers Out:			
	General fund	Nonmajor Governmental fund	Business-type fund	Total
General fund	\$ -	\$ 21,994	\$ 162,866	\$ 184,860
Nonmajor governmental funds	1,594,239	-	-	1,594,239
Total transfers out	<u>\$ 1,594,239</u>	<u>\$ 21,994</u>	<u>\$ 162,866</u>	<u>\$ 1,779,099</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

F. Leases

The Town has entered into a lease agreement as lessee for financing a rescue truck for the fire department. The lease agreements qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

Asset:	Governmental Activities
Machinery, Equipment and Other	\$ 592,224
Less: Accumulated Depreciation	(454,038)
Total	<u>\$ 138,186</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2017, are as follows:

Year Ending June 30,	Governmental Activities
2018	\$ 126,373
Less: amount representing interest	(2,962)
Present value of minimum lease payments	<u>\$ 123,411</u>

G. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the business type fund are as follows:

Business-type Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2016	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2017
Bond anticipation notes:						
Sewer Fund						
Massachusetts Clean						
Water Trust - Interim Loan						
CWP - 15 - 14	0.13%	4/13/2017	\$ 6,932,971	\$ 7,680,329	\$ 14,613,300	\$ -
CWP - 15 - 14A	0.13%	12/31/2017	-	10,595,101	-	10,595,101
Total Business-type activities			<u>\$ 6,932,971</u>	<u>\$ 18,275,430</u>	<u>\$ 14,613,300</u>	<u>\$ 10,595,101</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

H. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2017
Governmental Activities:					
Inside Debt Limit:					
New Fire Station	4.25%	10/15/2008	6/15/2019	5,500,000	\$ 1,100,000
Land Acquisition - CPA	3.73%	5/15/2009	2/15/2029	1,155,000	675,000
School - Modular Classrooms	2.86%	5/15/2009	2/15/2019	750,000	150,000
New High School	3.47%	5/1/2010	2/1/2030	9,100,000	6,475,000
New High School	4.24%	4/1/2011	4/1/2031	10,000,000	7,825,000
New High School	3.03%	4/12/2012	4/1/2032	16,650,000	13,565,000
Energy Conservation	2.0-3.0%	11/13/2013	2/15/2028	4,767,000	3,960,000
Town House Restoration	2.58%	4/15/2015	11/15/2034	1,100,000	1,015,000
Total inside debt					<u>34,765,000</u>
Outside Debt Limit:					
Massachusetts Clean Water Trust:					
Title V septic repair program	N/A	9/29/2000	8/1/2019	79,932	12,495
Total governmental type debt					<u><u>\$ 34,777,495</u></u>

Future Debt Service

The annual principal and interest payments to retire all governmental type long term debt outstanding as of June 30, 2017, are as follows:

Year	Principal	Interest	Total
2018	\$ 2,524,165	\$ 1,301,451	\$ 3,825,616
2019	2,584,165	1,210,211	3,794,376
2020	2,029,165	1,103,527	3,132,692
2021	2,095,000	1,026,887	3,121,887
2022	2,180,000	949,587	3,129,587
2023-2027	12,155,000	3,440,188	15,595,188
2028-2032	11,000,000	1,157,219	12,157,219
2033-2035	210,000	9,450	219,450
	<u>\$ 34,777,495</u>	<u>\$ 10,198,520</u>	<u>\$ 44,976,015</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2017
Business-type Activities:					
Inside Debt Limit:					
Sewer Fund:					
Sewer	4.24%	4/1/2011	4/1/2031	\$ 510,000	\$ 400,000
Sewer Treatment Facility	3.03%	4/15/2015	11/15/2044	2,700,000	2,590,000
Massachusetts Clean Water Trust:					
Sewer Treatment Facility	2.40%	4/13/2017	1/15/2047	14,613,300	14,613,300
Total business-type debt					<u>\$ 17,603,300</u>

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2017, are as follows:

Year	Principal	Interest	Total
2018	\$ 408,480	\$ 362,307	\$ 770,787
2019	416,965	438,155	855,120
2020	435,669	427,817	863,486
2021	444,597	416,971	861,568
2022	453,756	405,911	859,667
2023-2027	2,474,663	1,839,654	4,314,317
2028-2032	2,801,843	1,493,909	4,295,752
2033-2037	3,030,355	1,126,285	4,156,640
2038-2042	3,465,146	720,386	4,185,532
2043-2047	3,671,826	259,994	3,931,820
	<u>\$ 17,603,300</u>	<u>\$ 7,491,389</u>	<u>\$ 25,094,689</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

A summary of the changes in governmental activities and business-type long-term liabilities during the year is as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 37,225,000	\$ -	\$ 2,460,000	\$ 34,765,000	\$ 2,520,000
Massachusetts Clean					
Water Trust bonds	16,660	-	4,165	12,495	4,165
Capital leases	243,930	-	120,519	123,411	123,411
Compensated absences	754,872	123,054	33,606	844,320	222,800
OPEB liability obligation	19,710,470	3,279,002	-	22,989,472	-
Net pension liability	20,451,337	3,660,918	-	24,112,255	-
Governmental activity					
Long-term liabilities	\$ 78,402,269	\$ 7,062,974	\$ 2,618,290	\$ 82,846,953	\$ 2,870,376
Business-type activities:					
Bonds Payable:					
General obligation bonds	\$ 3,070,000	\$ -	\$ 80,000	\$ 2,990,000	\$ 80,000
Massachusetts Clean					
Water Trust bonds	-	14,613,300	-	14,613,300	328,480
Compensated absences	68,333	5,523	-	73,856	24,950
OPEB obligation payable	319,442	47,424	-	366,866	-
Net pension liability	697,156	124,795	-	821,951	-
Total sewer activities					
Long-term liabilities	\$ 4,154,931	\$ 14,791,042	\$ 80,000	\$ 18,865,973	\$ 433,430

Massachusetts Clean Water Trust (MCWT)

The Town is subsidized by the MCWT on a periodic basis for principal in the amount of \$14,693,232 and interest costs of \$6,052,716 for two loans which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2017 for principal and interest combined for the loans is \$20,640,851 with subsidies amounting to \$1,052. The net repayments, including interest, are scheduled to be \$20,639,799. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2017 principal and interest subsidies totaled \$828.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2017 totaled \$52,368,300.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The following is a computation of the legal debt limit as of June 30, 2017:

Equalized Valuation-Real Estate and Personal Property (2016)		<u>\$ 2,333,827,700</u>
Debt Limit: 5 % of Equalized value		116,691,385
Total Debt Outstanding	\$ 52,380,795	
Less: Debt Outside Debt Limit	<u>(12,495)</u>	<u>52,368,300</u>
Inside Debt Excess Borrowing Capacity at June 30, 2017		<u><u>\$ 64,323,085</u></u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

Loan authorizations that have not been issued as of June 30, 2017 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
10/20/2014	Wastewater Treatment Facility upgrades	\$ 21,091,598
5/8/2017	Library construction/renovation	16,597,997
5/8/2017	Construction of a new highway facility	12,700,000
5/8/2017	Sewer pump station upgrades	<u>3,000,000</u>
		<u><u>\$ 53,389,595</u></u>

Overlapping Debt

The Town pays assessments; which includes debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the long term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Long Term Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Blackstone Valley Regional Vocational Technical High School	<u>\$ 3,085,000</u>	10.80%	<u>\$ 333,180</u>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

I. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2017:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 740,544	\$ 740,544
Restricted:			
Federal, state and local grants	-	220,885	220,885
School federal and state grants	-	699,892	699,892
School revolving funds	-	410,066	410,066
Town revolving funds	-	1,310,636	1,310,636
Donations and gifts	-	243,177	243,177
Community preservation fund	-	1,085,252	1,085,252
Debt service	704,485	-	704,485
Capital projects	-	133,362	133,362
Permanent funds	-	511,691	511,691
Other	-	1,587,645	1,587,645
	<u>704,485</u>	<u>6,202,606</u>	<u>6,907,091</u>
Committed:			
Capital projects	-	2,382,324	2,382,324
Town meeting articles	956,585	-	956,585
	<u>956,585</u>	<u>2,382,324</u>	<u>3,338,909</u>
Assigned:			
Encumbrances	324,433	-	324,433
Subsequent year's budget	846,194	-	846,194
	<u>1,170,627</u>	<u>-</u>	<u>1,170,627</u>
Unassigned:			
General Fund	6,968,054	-	6,968,054
Total Governmental fund balances	<u>\$ 9,799,751</u>	<u>\$ 9,325,474</u>	<u>\$ 19,125,225</u>

J. Special Trust Funds

Stabilization Fund

Under Section 5B of Chapter 40 of the Massachusetts General Laws, the Town may for the purpose of creating a stabilization fund appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding year by taxation of real estate and tangible personal property or such larger amount as may be approved by the Emergency Finance Board. The aggregate amount in the fund at any time shall not exceed ten percent of the equalized valuation of the Town and any interest shall be added to and become a part of the fund. The stabilization fund may be appropriated in a Town at a Town meeting for any lawful purpose.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

At June 30, 2017 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 3,423,317
Capital stabilization fund	120,608
Road stabilization fund	<u>1</u>
	<u>\$ 3,543,926</u>

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2017, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2017.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

C. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

D. Tax Abatements

The Town enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Grafton.

As of June 30, 2017, the Town of Grafton entered into the following tax abatement agreements under this program.

A 40% to 80% property tax abatement agreement was approved in June 2016 for the 103 Worcester Street, LLC to make construct a dental/medical facility on the property of at least \$2.1 million, relocate and retain seven (7) full-time jobs and create twenty (20) new permanent full-time jobs within five years. The abatements begin in fiscal year 2019.

E. Pension Plan

Plan Description

The Town is a member of the Worcester Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Worcester Regional Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2016. The Town's portion of the collective pension expense contributed by the Commonwealth of \$6,834,450 on-behalf payments for the fiscal year ending June 30, 2017 is reported as intergovernmental revenues and insurance and employee benefits expenditures in the General Fund as of the measurement date.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2016 was \$1,446,017, representing 14.52% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

Pension Liability

As of June 30, 2017, the Town reported a liability of \$24,934,203 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2016, the Town's proportional percentage was 2.9769%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2017, the Town recognized a pension expense of \$3,018,337 and reported deferred outflows of resources related to pensions of \$4,017,839 from the differences between expected and actual experience, the net difference between projected and actual investment earnings on pension plan investments and changes in assumptions; and deferred inflows of resources related to pensions of \$155,282 from the changes in proportion and differences between employer contributions and proportionate share of contributions.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

For years ended June 30,		
	2018	\$ 921,644
	2019	921,644
	2020	918,982
	2021	655,254
	Thereafter:	445,033
		<u>\$ 3,862,557</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2016:

Valuation date	January 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	<p><i>Unfunded Actuarial Accrued Liability (UAAL):</i> Increasing dollar amount at 4.0% to reduce the UAAL to zero on or before June 30, 2035. The annual increase in appropriation is further limited to 9.95%.</p> <p><i>2002 & 2003 Early Retirement Incentive (ERI):</i> Increasing dollar amount at 4.0% to reduce the 2002 & 2003 ERI to zero on or before June 30, 2028 and the 2010 ERI to zero on or before June 30, 2022.</p>
Asset valuation method	<p>The actuarial value of assets is the market value of assets as of the valuation date reduced by the sum of:</p> <p>80% of the gains and losses of the prior year, 60% of the gains and losses of the second prior year, 40% of the gains and losses of the third prior year, and 20% of the fourth prior year.</p> <p>Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 80% or more than 120% of market value.</p>
Inflation	3% per year
Salary increases	<p>Group 1: 6% - 4.25%, based on service</p> <p>Group 4: 7% - 4.75%, based on service</p>
Payroll growth	4% per year
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Mortality rates	<p>RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB.</p> <p>RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB for disabled members</p>

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40%	4.97%
Fixed income	22%	2.29%
Private Equity	11%	6.50%
Real Estate	10%	3.50%
Timber/Natural Resources	4%	3.00%
Hedge Funds	13%	3.48%
Total	100%	

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 7.06%. The money-weighted rate of return considers the changing amounts actually invested during a period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town's net pension liability	\$ 30,033,544	\$ 24,934,203	\$ 20,629,518

F. Other Post Employment Benefits Payable

GASB Statement No. 45

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, requires Towns to account for OPEB, primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns the post employment benefits, rather than when they use them. To the extent that an entity does not fund their actuarially required contribution, a post employment benefit liability is recognized on the Statement of Net Position.

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2009, and thus recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits as described on the following footnote, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date, there are approximately 836 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2017 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$1,316,568.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

	Governmental Activities	Business-type Activities	Total
Normal Cost	\$ 2,536,211	\$ 26,285	\$ 2,562,496
Amortization of unfunded actuarial accrued liability	2,340,660	34,711	2,375,371
Annual required contribution	4,876,871	60,996	4,937,867
Interest on net OPEB obligation	788,419	12,778	801,197
Adjustment to annual required contribution	(1,080,030)	(16,040)	(1,096,070)
Annual OPEB cost (expense)	4,585,260	57,734	4,642,994
Contributions made during the fiscal year	(1,306,257)	(10,311)	(1,316,568)
Increase in net OPEB obligation	3,279,003	47,423	3,326,426
Net OPEB Obligation - beginning of year	19,710,470	319,442	20,029,912
Net OPEB Obligation - end of year	<u>\$ 22,989,473</u>	<u>\$ 366,865</u>	<u>\$ 23,356,338</u>

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2017 fiscal year and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 4,642,994	28.4%	\$ 23,356,338
6/30/2016	\$ 4,418,498	28.3%	\$ 20,029,912
6/30/2015	\$ 4,158,239	27.4%	\$ 16,861,991

Funded Status and Funding Process

As of January 1, 2017, the most recent valuation date, the plan was 0.01% funded. The actuarial liability for benefits was \$47,308,470, and the actuarial value of assets was \$3,080, resulting in an unfunded actuarial accrued liability (UAAL) of \$47,305,390. The covered payroll (annual payroll of active employees covered by the plan) was \$32,419,000, and the ratio of the UAAL to the covered payroll was 145.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial accrued liabilities for benefits.

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Town OPEB actuarial valuation as of January 1, 2017, used the projected unit credit cost method. The OPEB liability is currently 0.01% funded and the actuarial assumptions include a 4.00% rate of return on invested assets. Medical and drug cost trend for Commercial Managed Care, Commercial Indemnity, Medicare Managed Care, and Medicare Indemnity in 2017 was 6.45%, 3.43%, 6.86% and 0.47%, respectively, and 8%, 9%, 7% and 8% in 2018, respectively, decreasing to an ultimate level of 5% per year for Commercial Managed Care, Commercial Indemnity, Medicare Managed Care, and Medicare Indemnity.

The funded actuarial accrued liability is being amortized over closed 22 years (remainder of the initial 30 years) on a level percentage of payroll basis. The remaining amortization period at June 30, 2017 is 22 years.

GASB Statement No. 74

The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2017, the trust balance is \$107,348.

Investments

The OPEB Trust fund does not have a formal investment policy. As of June 30, 2017, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Investment Policies (refer to note 3A).

Net OPEB Liability

The components of the net OPEB liability are as follows (amounts are in thousands):

	<u>June 30, 2017</u>
Total OPEB liability	\$ 56,646
Less: Plan fiduciary net position	(105)
City's Net OPEB liability	<u><u>\$ 56,541</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.19%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified;

Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal Cost Method

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

Participant salary increases	3.75% annually
Investment rate of return	3.59% annually, net of OPEB plan investment expenses
Healthcare cost trend rates	to an Ultimate trend rate of 5.00% annually in 2035
Mortality rates	RP-2000 Mortality Table with projected generational mortality table using Scale BB

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return (which expresses investment performance), net of investment expense is 2.45%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.59%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Town's the net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.59%) or 1-percentage-point higher (4.59%) than the current rate (amounts are in thousands):

	1% Decrease (2.59%)	Current Discount Rate (3.59%)	1% Increase (4.59%)
Town's net OPEB liability	\$ 67,859	\$ 56,541	\$ 47,764

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Town's the net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (amounts are in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 46,412	\$ 56,541	\$ 70,129

TOWN OF GRAFTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2017

G. Implementation Of New GASB Pronouncements

The GASB issued Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, for implementation in fiscal year 2017.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*, for implementation in fiscal year 2017.

The GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, for implementation in fiscal year 2017.

The GASB issued Statement No. 82, *Pension Issues – an amendment of GASB No. 67, No. 68, and No. 73*, for implementation in fiscal year 2017.

H. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, for implementation in fiscal year 2018.

The GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, for implementation in fiscal year 2018.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2021.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2017

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Town's proportion of the net pension liability (asset)	2.9769%	2.9795%	3.0152%
Town's proportionate share of the net pension liability (asset)	\$ 24,934,203	\$ 21,148,493	\$ 17,942,770
Town's covered employee payroll	\$ 9,958,855	\$ 8,975,245	\$ 8,630,043
Net pension liability percentage of covered-employee payroll	250.37%	235.63%	207.91%
Plan fiduciary net position as a percentage of the total pension liability	42.00%	44.52%	47.94%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Retirement System
For the Year Ended June 30, 2017

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Actuarially determined contribution	\$ 1,446,017	\$ 1,340,346	\$ 1,191,597
Less: Contributions in relation to the actuarially determined contribution	<u>(1,446,017)</u>	<u>(1,340,346)</u>	<u>(1,191,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 9,958,855	\$ 8,975,245	\$ 8,630,043
Contributions percentage of covered-employee payroll	14.52%	14.93%	13.81%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan (GASB 45) Schedule
Year Ended June 30, 2017

Schedule of Funding Progress

Other Post-Employment Benefits (Dollars in Thousands)										
Actuarial Valuation Date	Actuarial Value of Assets (A)		Actuarial Accrued Liability (AAL) Entry Aid (B)		Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)		
1/1/2017	\$	3	\$	47,308	\$	47,305	0%	\$	32,419	145.9%
1/1/2015	\$	3	\$	44,712	\$	44,709	0%	\$	27,931	160.1%
1/1/2013	\$	-	\$	30,633	\$	30,633	0%	\$	24,618	124.4%

Schedule of Contribution Funding

Other Post-Employment Benefits					
Fiscal Year Ended June 30		Annual OPEB Cost		Actual Contributions Made	Percentage Contributed
2017	\$	4,642,994	\$	1,316,568	28.4%
2016	\$	4,418,498	\$	1,250,577	28.3%
2015	\$	4,158,239	\$	1,137,589	27.4%

The information presented in the above Required Supplementary Schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the Notes to Basic Financial Statements.

Actuarial Methods:

Valuation date	January 1, 2017
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Closed 22-year amortization payments (remainder of initial 30-year amortization). Uses level percentage of payroll (using a 3.00% annual rate of increase).
Remaining amortization period	22 years remaining as of June 30, 2017

Actuarial Assumptions:

Investment rate of return	4.0% per year on invested assets
Medical/drug cost trend rate	Ranging from .47% to 6.86% in 2017 trending down to an ultimate rate of 5.0% per year for all coverages.

Plan Membership:

Current active members	587
Current retirees, beneficiaries and dependents	316
Total	903

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan (GASB 74) Schedule
For the Year Ended June 30, 2017

Schedule of Changes in the Net OPEB Liability (amounts are in thousands):

	<u>6/30/2017</u>
Total OPEB liability	
Service cost	\$ 2,832
Interest on net OPEB liability	1,984
Benefit payments, including refunds of member contributions	<u>(1,216)</u>
Net change in total OPEB liability	<u>3,600</u>
Total OPEB liability-beginning	<u>53,046</u>
Total OPEB liability-ending (a)	<u>\$ 56,646</u>
 Plan fiduciary net position	
Net investment income	\$ 2
Employer contributions to Trust	1,317
Benefit payments	<u>(1,217)</u>
Net change in plan fiduciary net position	<u>102</u>
Total fiduciary net position-beginning	<u>3</u>
Total fiduciary net position-ending (b)	<u>\$ 105</u>
 Town's net OPEB liability (a-b)	 <u><u>\$ 56,541</u></u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GRAFTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan (GASB 74) Schedule
For the Year Ended June 30, 2017

Schedule of Net OPEB Liability (amounts are in thousands):

	<u>6/30/2017</u>
Total OPEB liability	\$ 56,646
Less: Plan fiduciary net position	(104)
Town's Net OPEB liability	<u><u>\$ 56,542</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.18%

Schedule of Contributions (amounts are in thousands):

	<u>6/30/2017</u>
Actuarially determined contribution	\$ 4,938
Less: Contributions in relation to the actuarially determined contribution	(1,317)
Contribution deficiency (excess)	<u><u>\$ 3,621</u></u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULES

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Fund Balances				Other Financing	Fund Balances
	July 1, 2016	Revenues	Expenditures	Sources (Uses)	June 30, 2017	
Special Revenue:						
Federal and State Grants:						
School Grants	\$ 19,644	\$ 956,627	\$ 957,068	\$ -	\$ 19,203	
Arts Lottery Council Grants	8,820	5,017	8,464	-	5,373	
Council on Aging Grants	-	28,820	8,589	(20,031)	200	
Extended Polling Hours	-	3,646	-	-	3,646	
Health Grants	59,179	34,700	55,773	-	38,106	
Highway Grants	-	98,790	98,790	-	-	
Library Grants	52,671	26,522	22,159	-	57,034	
Other Grants and Programs	19,050	14,050	5,475	-	27,625	
Planning Grants	5,746	21,000	5,082	-	21,664	
Public Safety Grants	11,008	128,020	72,549	759	67,238	
Schools:						
School Lunch Revolving	78,447	749,375	778,482	-	49,340	
School Lunch Commodities	-	69,551	69,551	-	-	
Privately Funded Grants	144	2,000	2,117	-	27	
School Choice	310,243	383,144	390,944	-	302,443	
School Revolving Accounts	493,093	489,698	622,065	-	360,726	
State Special Education Reimbursement Fund	345,181	695,322	662,285	-	378,218	
Other:						
Animal Damage Reserve Fees	23,572	3,256	-	-	26,828	
Commission on Disability Parking Fines	600	-	-	-	600	
Community Preservation Fund	996,373	470,040	332,012	(49,149)	1,085,252	
Conservation Fees	194,609	32,166	35,769	-	191,006	
Council on Aging Revolving	49,917	53,901	67,619	20,031	56,230	
Fire Department Revolving	3,586	7,679	4,705	-	6,560	
Gifts and Donations	233,414	67,122	57,359	-	243,177	
Health Department Revolving	6,180	15,820	8,925	1,840	14,915	
Home Composting Bins Revolving	4,250	55	-	-	4,305	
Insurance Recovery	607	27,761	27,011	-	1,357	
Law Enforcement Fund	6,383	551	269	-	6,665	
Library Grafton Education Association Grant	307	3,500	1,867	-	1,940	
Municipal Waterways Revolving Funds	13,443	70	915	-	12,598	
Total Special Revenue Page 68	\$ 2,936,467	\$ 4,388,203	\$ 4,295,844	\$ (46,550)	\$ 2,982,276	

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Fund Balances July 1, 2016	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2017
Continued from Page 68	\$ 2,936,467	\$ 4,388,203	\$ 4,295,844	\$ (46,550)	\$ 2,982,276
Other (Continued):					
Municipal Center Use Revolving	376	378	-	-	754
Old Town Hall Revolving	23,769	19,003	49,251	-	(6,479)
PEG Access/Verizon	576,163	288,618	220,748	-	644,033
Planning Board Revolving	80,586	112,469	99,737	-	93,318
Police Outside Detail	-	398,798	398,798	-	-
Recreation Revolving	162,506	319,705	281,612	(21,994)	178,605
Sale of Cemetery Lots	60,685	6,900	-	-	67,585
Septic Repair Betterment Repayments	35,702	828	4,993	-	31,537
South Grafton Community House Facility Revolving	15,514	2,755	-	-	18,269
Treasurer Tax Title Fees	1,160	40,114	39,765	-	1,509
Affordable Housing Fund	1,425,760	16,013	188	49,149	1,490,734
Conservation Fund	23,889	335	-	-	24,224
Unemployment Compensation Fund	40,568	(623)	100,357	91,600	31,188
Total Special Revenue Funds	5,383,145	5,593,496	5,491,293	72,205	5,557,553
Capital Projects:					
School Projects:					
Elementary School Construction	13,515	-	-	-	13,515
High and Middle School Renovations	2,837	-	-	-	2,837
Middle School Renovations	34	-	-	-	34
Facilities Upgrades	4,622	-	4,622	-	-
Fire Station	128,288	-	11,312	-	116,976
Road Stabilization	1,493,718	-	611,607	1,500,040	2,382,151
Stow Road Construction	17,010	-	16,837	-	173
Total Capital Projects	\$ 1,660,024	\$ -	\$ 644,378	\$ 1,500,040	\$ 2,515,686

TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Fund Balances July 1, 2016	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2017
Perpetual Permanent Funds:					
Ann Cochiola Fund	\$ 5,040	\$ -	\$ -	\$ -	\$ 5,040
Campbell Fund	1,815	-	-	-	1,815
Cemetery Perpetual Care Fund	629,004	20,700	-	-	649,704
Library Fund	71,985	-	-	-	71,985
Palmer Gift - Pine Grove Fund	1,000	-	-	-	1,000
Whitin Gate and Bell Fund	11,000	-	-	-	11,000
Total Perpetual Permanent Funds	719,844	20,700	-	-	740,544
Permanent Funds:					
Ann Cochiola Fund	5,566	103	-	-	5,669
Campbell Fund	2,335	39	-	-	2,374
Cemetery Perpetual Care Fund	217,640	9,026	-	-	226,666
Library Fund	240,480	3,021	-	-	243,501
Palmer Gift - Pine Grove Fund	7,804	86	-	-	7,890
Whitin Gate and Bell Fund	25,241	350	-	-	25,591
Total Permanent Funds	499,066	12,625	-	-	511,691
Total Non-Major Governmental Funds	\$ 8,262,079	\$ 5,626,821	\$ 6,135,671	\$ 1,572,245	\$ 9,325,474

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY AND ROLLBACK TAXES
AND COMMUNITY PRESERVATION SURCHARGE
JULY 1, 2016 TO JUNE 30, 2017**

	Uncollected Taxes July 1, 2016	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2017	Uncollected Taxes Per Detail June 30, 2017
Real Estate Taxes:						
Levy of 2017	\$ -	\$ 37,488,719	\$ 281,915	\$ 36,862,383	\$ 344,421	\$ 344,421
Levy of 2016	190,997	77,184	91,942	176,239	-	-
Levy of 2015	-	-	447	(447)	-	-
Levy of 2014	-	-	3,838	(3,838)	-	-
	190,997	37,565,903	378,142	37,034,337	344,421	344,421
Personal Property Taxes:						
Levy of 2017	-	990,616	2,829	936,600	51,187	51,187
Levy of 2016	7,181	-	-	2,598	4,583	4,583
Levy of 2015	3,081	-	-	1,365	1,716	1,716
Levy of 2014	4,634	-	-	1,250	3,384	3,384
Levy of 2013	5,918	-	-	1,720	4,198	4,198
Prior Years	16,673	-	41,451	(36,687)	11,909	11,909
	37,487	990,616	44,280	906,846	76,977	76,977
Rollback Taxes	-	3,944	-	3,944	-	-
Total Real Estate, Personal Property and Rollback Taxes	\$ 228,484	\$ 38,560,463	\$ 422,422	\$ 37,945,127	\$ 421,398	\$ 421,398
Community Preservation Surcharge:						
Levy of 2017	\$ -	\$ 403,762	\$ 3,167	\$ 397,135	\$ 3,460	\$ 3,460
Levy of 2016	816	1,007	942	881	-	-
Total Community Preservation Surcharge	\$ 816	\$ 404,769	\$ 4,109	\$ 398,016	\$ 3,460	\$ 3,460

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES
JULY 1, 2016 TO JUNE 30, 2017**

	Uncollected Taxes July 1, 2016	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2017	Uncollected Taxes Per Detail June 30, 2017
Motor Vehicle Excise Taxes:						
Levy of 2017	\$ -	\$ 2,613,055	\$ 32,078	\$ 2,274,459	\$ 306,518	\$ 306,518
Levy of 2016	99,225	468,078	25,588	508,195	33,520	33,520
Levy of 2015	32,753	-	1,379	19,072	12,302	12,302
Levy of 2014	13,874	-	1,832	988	11,054	11,054
Levy of 2013	12,583	-	11,473	1,110	-	-
Prior Years	9,496	-	8,318	1,045	133	133
Total Motor Vehicle Excise Taxes	167,931	3,081,133	80,668	2,804,869	363,527	363,527
Boat Excise Taxes:						
Levy of 2015	245	-	-	-	245	245
Levy of 2014	647	-	-	(20)	667	667
Levy of 2013	473	-	480	(7)	-	-
Prior Years	1,169	-	1,325	(156)	-	-
Total Boat Excise Taxes:	2,534	-	1,805	(183)	912	912
Total Motor Vehicle and Boat Excise Taxes	\$ 170,465	\$ 3,081,133	\$ 82,473	\$ 2,804,686	\$ 364,439	\$ 364,439

**TOWN OF GRAFTON, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2016 TO JUNE 30, 2017**

	Uncollected Accounts July 1, 2016	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2017	Uncollected Accounts Per Detail June 30, 2017
General Fund:						
Tax Liens	\$ 940,477	\$ 247,813	\$ 87,120	\$ 145,472	\$ 955,698	\$ 955,698
Non-major Governmental Fund:						
Community Preservation Surcharge:						
Tax Liens	\$ 8,436	\$ 2,072	\$ 5,201	\$ 1,103	\$ 4,204	\$ 4,204



LAKEC QUINSIGAMOND COMMISSION

- Members

- Peter Collins, Chair
- Michael Paika, Vice Chair
- Shawn Valliere, Treasure
- Roger Steele
- Ken Polito
- Scott Conway
- Amanda Amory
- Richard Simitis
- Open

At Large
Shrewsbury
Shrewsbury Police
Worcester Police
Shrewsbury ConCom
Grafton ConCom
Worcester ConCom
Worcester
Grafton



LAKE QUINSIGAMOND COMMISSION

- Activity Summary July 2017 – To Date
 - House Bill H4039 – A Bill Concerning the Lake Quinsigamond Commission
 - Clarified authority to conduct environmental, pollution, and recreation management activities within the watershed
 - Clarified ability to solicit, receive, and expend funds for such activities
 - Expand locations to hold hearings to Grafton and Shrewsbury in addition to Worcester



LAKE QUINSIGAMOND COMMISSION

- Activity Summary July 2017 – To Date
 - Season Highlights
 - Bald Eagle family nesting on Long Island
 - College and High School Rowing Regattas
 - Wootown Wakefest Wakeboard Competition
 - Dragon Boat Race
 - Lake Quinsigamond Day Festival
 - Antique Boat Show
 - Boat Parade
 - Beach Party



LAKE QUINSIGAMOND COMMISSION

- Activity Summary July 2017 – To Date
 - Environmental
 - Approved Five Year Lake Management Plan
 - Sewerage Spill from Worcester Treatment Plant
 - Collaborating with Worcester Lakes and Ponds
 - Water Quality Monitoring
 - Research Pollution Sources
 - Updated Weed Map of Lake Quinsigamond
 - Extended Drawdown Permits
 - Awarded contract to E.S.S. Group to assist through permit process regarding Lake Management Plan



LAKE QUINSIGAMOND COMMISSION

Annual Report - 2018

Finacial Summary 2016 - 2017

2017 LQC Gift Account Carry Forward	\$	63,961.77
Income	\$	21,940.00
<i>Dock Registration, Event Fees, and Donations</i>		
Expense	\$	(7,621.13)
<i>Dock Stickers, Postage, Legal, Bouys</i>		
2018 LQC Gift Account Carry Forward	\$	78,280.64

LAKE QUINSIGAMOND COMMISSION

Annual Report - 2018

Finacial Summary 2017 - 2018

2017 Carry Over	\$	78,280.64
Income		
<i>Dock and Event Fees, and Donations</i>	\$	1,880.00
<i>Shrewsbury Appropriation</i>	\$	35,000.00
Expense		
<i>E.S.S. - Weed Mapping</i>	\$	(7,000.00)
<i>Postage - Fall Mailing</i>	\$	(467.02)
<i>Abutters List - Worcester</i>	\$	(19.00)
<i>Mailing Supplies</i>	\$	(114.39)
<i>Postage - Spring Mailing</i>	\$	(467.68)
<i>Contract for NOI</i>	\$	(23,340.00)
To Date Funds Available	\$	83,752.55

LAKE QUINSIGAMOND COMMISSION

Annual Report - 2018

Income Projection

Appropriation

Town of Grafton	Grafton	\$	35,000.00
Town of Shrewsbury	Shrewsbury	\$	35,000.00
City of Worcester	Worcester	\$	35,000.00
Commonwealth of Massachusetts	MA	\$	35,000.00
Total Appropriation:		\$	140,000.00

Fees

Dock Registration	Fee	\$	12,000.00
Permits	Fee	\$	1,000.00
Total Fees:		\$	13,000.00

Total Income: \$ 153,000.00



LAKE QUINSIGAMOND COMMISSION

Annual Report - 2018

Expense Projection

Invasive Management

Permitting	\$	29,000.00
Monitoring	\$	5,500.00
Treatment	\$	168,500.00
Total Invasive Management:	\$	203,000.00

Community Services

Education	\$	2,600.00
Public Safety	\$	5,500.00
Total Community Services:	\$	8,100.00

Total Expense: \$ 211,100.00

HOUSE No. 4039

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, November 20, 2017.

The committee on Environment, Natural Resources and Agriculture to whom was referred the joint petition (accompanied by bill, House, No. 438) of Hannah Kane, Michael O. Moore and others relative to the Lake Quinsigamond Commission, reports recommending that the accompanying bill (House, No. 4039) ought to pass.

For the committee,

SMITTY PIGNATELLI.

HOUSE No. 4039

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act relative to the Lake Quinsigamond Commission.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith certain activities and procedures of the Lake Quinsigamond Commission, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 294 of the special acts of 1916 is hereby amended by striking out
2 sections 1A and 1B, as appearing in section 1 of chapter 357 of the acts of 1973, and inserting in
3 place thereof the following 2 sections:-

4 Section 1A. The commission shall assist town, city, and state agencies, departments,
5 boards and commissions by coordinating, conducting or administering activities of water quality
6 monitoring, pollution control, vegetation control, recreation management and fact-finding in
7 Lake Quinsigamond and its watershed located in the city of Worcester and the towns of
8 Shrewsbury and Grafton, and shall cooperate with state agencies and conservation commissions
9 with any research and fact-finding studies concerning said lake and its watershed.

Activities to be undertaken by the commission pursuant to this section shall be subject to the availability of any necessary funding.

The commission shall submit an annual report, not later than March 1 of each year, to the boards of selectmen of the towns of Shrewsbury and Grafton, the mayor of the city of Worcester, and the commissioner of the department of conservation and recreation. The report shall include information about the commission's activities and finances for the prior calendar year and planned future activities with estimated costs for the present and subsequent years. In addition the report shall contain the commission's assessment about the current state of said lake and its watershed.

Section 1B. The commission may accept and solicit funds, donations, grants or bequests, from any source, including appropriations, reimbursements or other funds from the city of Worcester, and the towns of Shrewsbury and Grafton, and the commonwealth, for the purpose of any activity of the commission authorized under section 1A.

SECTION 2. Said chapter 294 of the special acts of 1916 is hereby further amended by striking out section 2, and inserting in place thereof the following section:-

Section 2. The commissioners may, after notice and a public hearing held in the city of Worcester, or the town of Shrewsbury or Grafton, establish reasonable rules and regulations for: (1) the protection and policing of the waters of Lake Quinsigamond within the city of Worcester and the towns of Shrewsbury and Grafton, including the waters below Stringer dam that extend to the south outlet of Hovey Pond, and (2) permitting and regulating the use of motor boats, other boats and canoes therein, and (3) regulating the conduct of persons upon, or bathing in, the

31 waters of said lake; and the commissioners as necessary may, after notice and a public hearing,
32 add to, amend or repeal the rules and regulations.

33 SECTION 3. Said chapter 294 of the special acts of 1916 is hereby further
34 amended by repealing section 10.

**APPOINTMENTS ITEM 3A – TOWN ADMINISTRATOR: VOTE TO
APPOINT – L. STEWART PEIRCE – ELECTION WORKER**

I MOVE the Board vote to appoint L. Stewart Peirce as an election worker.

NOTES:

Recommended by the Interim Town Clerk, Kandy Lavallee.



TOWN CLERK

Kandy L. Lavallee
Interim Town Clerk

TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD
GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 ext. 1195
www.grafton-ma.gov
email: clerks@grafton-ma.gov

RECEIVED

MAR 9 2 2018

BOARD OF SELECTMEN
GRAFTON, MA

Bruce W. Spinney, III
Board of Selectmen Chair
30 Providence Road
Grafton, MA 01519

Dear Mr. Spinney,

I would like to recommend the appointment of the following individuals as an Election Workers for the Town of Grafton:

L. Stewart Peirce

[REDACTED]
North Grafton, MA 01536

Eric H. Van Bockern

[REDACTED]
North Grafton, MA 01536

Carol E. Gagne

[REDACTED]
North Grafton, MA 01536

Janet M. Simas

[REDACTED]
Grafton, MA 01519

Thank you,

Kandy L. Lavallee
Interim Town Clerk

**APPOINTMENTS ITEM 3B – TOWN ADMINISTRATOR: VOTE TO
APPOINT – ERIC H. VAN BOKERN – ELECTION WORKER**

I MOVE the Board vote to appoint Eric H. Van Bockern as an election worker.

NOTES:

Recommended by the Interim Town Clerk, Kandy Lavallee.

**APPOINTMENTS ITEM 3C – TOWN ADMINISTRATOR: VOTE TO
APPOINT – CAROL E. GAGNE – ELECTION WORKER**

I MOVE the Board vote to appoint Carol E. Gagne as an election worker.

NOTES:

Recommended by the Interim Town Clerk, Kandy Lavallee.

**APPOINTMENTS ITEM 3D – TOWN ADMINISTRATOR: VOTE TO
APPOINT – JANET M. SIMAS – ELECTION WORKER**

I MOVE the Board vote to appoint Janet M. Simas as an election worker.

NOTES:

Recommended by the Interim Town Clerk, Kandy Lavallee.

**ITEM 4A: VOTE TO SIGN: MUNICIPAL LITIGATION ENGAGEMENT
DISCUSSION – OPIOID CRISIS**

NEW MOTION (Updated 3/6 @ 2pm):

I MOVE the Board vote to (authorize) the Town Administrator to sign the Engagement to Represent Agreement between the Town of Grafton and the law firm Levin, Papantonio, Thomas, Mitchell, Rafferty & Proctor, PA.

NOTES:

Included in the packet is the engagement letter to represent the town for damages caused by opiates. This firm is representing Charlton and Southbridge and other towns like Westborough and Shrewsbury are considering joining litigation as well. It was discussed on February 6th and decided at our last meeting that the Board was in favor of joining once the item was placed on this agenda.

ENGAGEMENT TO REPRESENT

RE: Town of Grafton, Massachusetts civil suit against those legally responsible for the wrongful distribution of prescription opiates and damages caused thereby.

Town of Grafton, Massachusetts (hereinafter “CLIENT”), by and through its Board of Selectmen, hereby retains the law firm LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA (“Firm”) on a contingent fee basis, to pursue all civil remedies against those in the chain of distribution of prescription opiates responsible for the opioid epidemic which is plaguing the Town including, but not limited to, filing a claim for public nuisance to abate, enjoin, recover and prevent the damages caused thereby.

Peter J. Mougey of the Firm shall serve as LEAD COUNSEL. CLIENT authorizes LEAD COUNSEL to employ and/or associate additional counsel, with consent of CLIENT, to assist LEAD COUNSEL in the just prosecution of the case. CLIENT consents to the participation of the following firms (collectively referred to, herein, as “Attorneys”), if no conflicts exist, including but not limited to conflicts pursuant to the Massachusetts Ethics laws and the Massachusetts Rules of Professional Conduct:

LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA
316 South Baylen Street
Pensacola, Florida

SWEENEY MERRIGAN LAW, LLP
268 Summer Street, LL
Boston, Massachusetts

RODMAN, RODMAN & SANDMAN, P.C.
442 Main Street, Suite 300
Malden, Massachusetts

GREENE, KETCHUM, FARRELL, BAILEY & TWEEL, LLP
419 11th Street
Huntington, West Virginia

BARON & BUDD, PC
3102 Oak Lawn Avenue #1100
Dallas, Texas

HILL PETERSON CARPER BEE & DEITZLER PLLC
500 Tracy Way
Charleston, West Virginia

POWELL & MAJESTRO, PLLC
405 Capitol Street, P-1200
Charleston, West Virginia

McHUGH FULLER LAW GROUP
97 Elias Whiddon Road
Hattiesburg, Mississippi

KP LAW, P.C.
101 Arch Street, 12th Floor
Boston, Massachusetts

CLIENT is retaining the Firm and Attorneys collectively and not as individuals, and attorney services to be provided to CLIENT hereunder will not necessarily be performed by any particular attorney.

In consideration, CLIENT agrees to pay twenty-five percent (25%) of the total recovery (gross) in favor of CLIENT as an attorney fee whether the claim is resolved by compromise, settlement, or trial and verdict (and appeal). The gross recovery shall be calculated on the amount obtained before the deduction of costs and expenses. CLIENT grants the Firm an interest in a fee based on the gross recovery. If a court awards attorneys' fees, the Firm shall receive the "greater of" the gross recovery-based contingent fee or the attorneys' fees awarded. CLIENT shall not pay to the Firm and Attorneys a fee of any kind or nature if there is no recovery.

The Firm and the Attorneys shall advance all necessary litigation expenses necessary to prosecute these claims. All such litigation expenses, including the reasonable internal costs of electronically stored information (ESI) and electronic discovery generally or the direct costs incurred from any outside contractor for those services, will be deducted from any recovery after the contingent fee is calculated and shall be paid to the Firm and Attorneys. CLIENT shall not be required to reimburse the Firm and Attorneys for litigation expenses of any kind or nature if there is no recovery. The fee and expenses combined will not exceed 50% of the gross recovery to the Town.

CLIENT acknowledges this fee is reasonable given the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly, the likelihood this retention will preclude other retention by the Firm, the fee customarily charged in the locality for similar legal services, the anticipated (contingent) litigation expenses and the anticipated results obtained, the experience, reputation, and ability of the lawyer or lawyers performing the services and the fact that the fee is contingent upon a successful recovery.

Attorneys shall have the right to represent other municipalities, governmental agencies or governmental subdivisions in other opioid related actions or similar litigation, subject to the requirements of the Massachusetts Rules of Professional Conduct relating to conflicts of interest, and CLIENT consents to such multiple representation. CLIENT has determined that it is in its own best interests to waive any and all potential or actual conflicts of interest which may occur as the result of Attorneys' current and continuing representation of other entities in similar litigation.

This litigation is intended to address a significant problem in the Town. The litigation focuses on the wholesale distributors and manufacturers of opioids and their role in the diversion of millions of prescription opiates into the illicit market which has resulted in opioid addiction, abuse, morbidity and mortality. There is no easy solution and no precedent for such an action against this sector of the industry. Many of the facts of the case are locked behind closed doors. The billion-dollar industry denies liability. The litigation will be very expensive and the litigation expenses will be advanced by the Firm with reimbursement contingent upon a successful recovery. The outcome is uncertain, as is all civil litigation, with compensation contingent upon a successful recovery.

The Firm intends to present a damage model designed to abate the public health and safety crisis. This damage model may take the form of money damages and/or equitable remedies (e.g., an abatement fund). The purpose of the lawsuit is to seek reimbursement of the costs incurred in the past fighting the opioid epidemic and/or recover the funds necessary to abate the health and safety crisis caused by the unlawful conduct of the wholesale distributors and manufacturers of opioids. CLIENT agrees to compensate the Firm, wholly contingent upon prevailing, by paying 25% of any settlement/resolution/judgment, in favor of CLIENT, whether it takes the form of monetary damages or equitable relief. For instance, if the remedy is in the form of monetary damages, CLIENT agrees to pay 25% of the gross amount to Firm as compensation and then reimburse the reasonable litigation expenses. If the remedy is in the form of equitable relief (e.g., abatement fund), CLIENT agrees to pay 25% of the gross value of the equitable relief to the Firm as compensation and then reimburse the reasonable litigation expenses, subject to appropriation of funds therefore and the applicable provisions of Massachusetts law. To the extent that the remedy includes both monetary damages and equitable relief, 25% of the monetary value of the equitable relief together with 25% of the monetary damages will be deducted from the total monetary damages as compensation for the Firm. If such compensation exceeds the total amount of the monetary damages awarded, payment of the additional compensation amount shall be subject to appropriation of funds therefor. To be clear, however, the Firm shall not be paid nor receive reimbursement from public funds unless required by law. However, any judgment arising from successful prosecution of the case, or any consideration arising from a settlement of the matter, whether monetary or equitable, shall not be considered public funds for purposes of calculating the contingent fee unless required by law. Under no circumstances shall CLIENT be obligated to pay any attorneys' fee or any litigation expenses except from moneys expended by defendant(s) pursuant to the resolution of CLIENT's claims. If the defendant(s) expend their own resources to abate the public health and safety crisis in exchange for a release of liability, then the Firm will be paid the designated contingent fee from the resources expended by the defendant(s). CLIENT acknowledges this is a necessary condition required by the Firm to dedicate their time and invest their resources on a contingent basis to this enormous project. If the defendant(s) negotiate a release of liability, then the Firm should be compensated based upon the consideration offered to induce the dismissal of the lawsuit.

The division of fees, expenses and labor between the Attorneys will be decided by private agreement between the law firms and subject to approval by CLIENT. Any division of fees will be governed by the Massachusetts Rules of Professional Conduct including: (1) the division of fees is in proportion to the services performed by each lawyer or each lawyer assumes joint responsibility for the representation and agrees to be available for consultation with CLIENT; (2) CLIENT has given *written* consent after full disclosure of the identity of each lawyer, that the fees

will be divided, and that the division of fees will be in proportion to the services to be performed by each lawyer or that each lawyer will assume joint responsibility for the representation; (3) except where court approval of the fee division is obtained, the *written* closing statement in a case involving a contingent fee shall be signed by CLIENT and each lawyer and shall comply with the terms of the Massachusetts Rules of Professional Conduct; and (4) the total fee is not clearly excessive.

The Firm and Attorneys will perform the legal services called for under this Agreement, keep CLIENT informed of progress and developments, and respond promptly to CLIENT's inquiries and communications. CLIENT will be truthful and cooperative with the Firm and Attorneys, disclose to the Firm and Attorneys all facts relevant to the claim, keep the Firm and Attorneys reasonably informed of developments, and be reasonably available to attend any necessary meetings, depositions, preparation sessions, hearings, and trial as reasonably necessary.

LEAD COUNSEL shall appoint a contact person to keep CLIENT reasonably informed about the status of the matter in a manner deemed appropriate by CLIENT. CLIENT at all times shall retain the authority to decide the disposition of the case and personally oversee and maintain absolute control of the litigation, including but not limited to whether to settle the litigation and on what terms.

CLIENT may discharge the Firm and Attorneys at any time by written notice effective when received by LEAD COUNSEL. Unless specifically agreed by the Firm and CLIENT, the Firm and Attorneys will provide no further services and advance no further costs on CLIENT's behalf with respect to the litigation after receipt of the notice. If the Firm is CLIENT's attorney of record in any proceeding, CLIENT will execute and return a substitution-of-attorney form immediately on its receipt from the Firm.

Upon conclusion of this matter, LEAD COUNSEL shall provide CLIENT with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination. The closing statement shall specify the manner in which the compensation was determined under the agreement, any costs and expenses deducted by the lawyer from the judgment or settlement involved, and, if applicable, the actual division of the lawyers' fees with a lawyer not in the same firm. The closing statement shall be signed by the CLIENT and each attorney among whom the fee is being divided.

At the conclusion or termination of services under this Agreement, the Firm and Attorneys will release promptly to CLIENT all of CLIENT's papers and property. "CLIENT's papers and property" includes correspondence, deposition transcripts, exhibits, experts' reports, legal documents, physical evidence, and other items reasonably necessary to CLIENT's representation, whether CLIENT has paid for them or not.

Nothing in this Agreement and nothing in the Firm and Attorneys' statement to CLIENT may be construed as a promise or guarantee about the outcome of this matter. The Firm and Attorneys make no such promises or guarantees. The Firm and Attorneys' comments about the outcome of this matter are expressions of opinion only and the Firm and Attorneys make no guarantee as to the outcome of any litigation, settlement or trial proceedings.

If any provision of this Agreement is held in whole or in part to be unenforceable, void, or voidable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

SIGNED, this _____ day of _____, 2018.

Chairman, Board of Selectmen

LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA
316 South Baylen Street
Pensacola, Florida

SWEENEY MERRIGAN LAW, LLP
268 Summer Street, LL
Boston, Massachusetts

By _____
Peter M. Merrigan
Massachusetts Counsel

Date

Accepted:

RODMAN, RODMAN & SANDMAN, P.C.
442 Main Street, Suite 300
Malden, Massachusetts

By _____
Richard M. Sandman
Massachusetts Counsel

Date

Accepted:

KP LAW, P.C.
101 Arch Street
Boston, Massachusetts

By _____
Mark R. Reich
Massachusetts Coordinating Counsel

Date

ITEM 4C: VOTE TO SIGN – QUITCLAIM DEED – BROOKMEADOW VILLAGE

I MOVE the Board vote to sign quitclaim deed for Brookmeadow Village, LLC.

NOTES:

At Fall Town Meeting in October 2017 on Article 29, under which the Town voted to accept all the roads and associated utilities and easements in Brookmeadow Village. The mylars were signed and are already recorded.

QUITCLAIM DEED

BROOKMEADOW VILLAGE, LLC, a Massachusetts limited liability company established under the laws of the Commonwealth of Massachusetts and having its usual place of business at 67 Cape Road, Mendon, Worcester County, Massachusetts

IN CONSIDERATION OF: LESS THAN ONE HUNDRED DOLLARS (\$100.00) PAID,

GRANTS TO: THE TOWN OF GRAFTON, a municipal corporation with its mailing address being Town Hall, Grafton, Massachusetts, 01519 through its Board of Selectmen,

with QUITCLAIM COVENANTS,

TAFT MILL ROAD

A certain parcel of land shown as "Taft Mill Road" on a plan entitled "Layout Plan of Brookmeadow Lane & Taft Mill Road in Grafton, Mass" dated March 25, 2016 and revised on May 26, 2016, by Guerriere & Halnon Inc., recorded in the Worcester District Registry of Deeds in Plan Book _____, Plan ___, and being more particularly described as follows:

Beginning at a drill hole in a granite bound at the southwest corner thereof, said point being on the northerly sideline of Milford Road, said point also being at land now or formerly of the Town of Grafton:

- | | |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Thence | running in a northeasterly direction along a curve to the left having a radius of 30.00 feet and a central angle of 90° 00' 00" an arc distance of 47.12 feet to a drill hole in a granite bound at a point of tangency; |
| Thence | N 07° 48' 52" W a distance of 143.52 feet to a drill hole in a granite bound at a point of curvature; |
| Thence | running northwesterly along a curve to the left having a radius of 175.00 feet and a central angle of 20° 02' 55" an arc distance of 61.23 feet to a drill hole in a granite bound at a point of tangency; |

- Thence N 27° 51' 47" W a distance of 497.04 feet to a drill hole in a granite bound at point of curvature.
- Thence last 4 courses being by land of said Town of Grafton;
- Thence running in a northerly direction along a curve to the right having a radius of 375.00 feet and a central angle of 75° 35' 59" an arc distance of 494.80 feet by various sundry owners to a drill hole in a granite bound at a point of tangency at land now or formerly of Christopher S. & Kimberly Bryce;
- Thence N 47° 44' 12" E by land of various sundry owners a distance of 379.12 feet to a drill hole in a granite bound at a point of curvature at land now or formerly of John S. De Raismes;
- Thence running in a northeasterly direction along a curve to the right having a radius of 525.00 feet and a central angle of 18° 06' 52" an arc distance of 165.98 feet by land of said De Raismes to an iron rod set in concrete at a point of reverse curvature at land now or formerly of Robert M. Johnson;
- Thence running in a northwesterly direction along a curve to the left having a radius of 175.00 feet and a central angle of 88° 37' 04" an arc distance of 270.67 feet by land of said Johnson to a drill hole in a granite bound at a point of tangency at land now or formerly of John D. Kane;
- Thence N 22° 45' 59" W a distance of 93.70 feet to a drill hole in a granite bound at a point of curvature at land now or formerly of the Town of Grafton;
- Thence running in a westerly direction along a curve to the left having a radius of 475.00 feet and a central angle of 49° 47' 26" an arc distance of 412.78 feet by land of various sundry owners to a railroad spike in a driveway at a point of tangency at land now or formerly of Brookmeadow Village LLC;
- Thence N 72° 33' 26" W by land of various sundry owners a distance of 309.27 feet to a drill hole in a granite bound at a point of curvature;
- Thence running southwesterly by the a curve to the left having a radius of 30.00 feet and a central angle of 93° 18' 37" an arc distance of 48.86 feet to a drill hole in a granite bound at a point of tangency on the easterly sideline of Brookmeadow Lane at land now or formerly of Kevin R. O'Donnell;
- Thence running in a northeasterly direction by the easterly sideline of Brookmeadow Lane along a curve to the right having a radius of 325.00 feet and a central angle of 21° 40' 46" an arc distance of 122.97 feet to a drill hole in a granite bound at land now or formerly of Sai Lee;
- Thence running in a southeasterly direction along a curve to the left having a radius of 30.00 feet and a central angle of 108° 22' 07" an arc distance of 56.74 feet to a drill hole in a granite bound at a point of tangency at land now or formerly of Sai Lee.
- Thence S 72° 33' 26" E by land of said Lee, and Mark F. Domino a distance of 294.73 feet to a drill hole in a granite bound at a point of curvature at land now or

formerly of Robert R. Grondin;

- Thence running in a southeasterly direction by land of various sundry owners along a curve to the right having a radius of 525.00 feet and a central angle of $49^{\circ} 47' 26''$ an arc distance of 456.23 feet to a drill hole in a concrete retaining wall at a point of tangency at land now or formerly of The Town of Grafton;
- Thence $S 22^{\circ} 45' 59'' E$ a distance of 93.70 feet to a drill hole in a granite bound at a point of curvature at land now or formerly of Erica K. Burrill;
- Thence running in a southerly direction along a curve to the right having a radius of 225.00 feet and a central angle of $88^{\circ} 37' 04''$ an arc distance of 348.00 feet by land of various sundry owners to a drill hole in a granite bound at a point of reverse curvature at land now or formerly of Charles R. Montgomery, Jr.;
- Thence running in a southwesterly direction along a curve to the left having a radius of 475.00 feet and a central angle of $18^{\circ} 06' 52''$ an arc distance of 150.17 feet by land of said Montgomery and land now or formerly of Scott Cellupica to a drill hole in a granite bound at a point of tangency at land now or formerly of the Town of Grafton;
- Thence $S 47^{\circ} 44' 12'' W$ by land of various sundry owners a distance of 379.12 to a drill hole in a granite bound at a point of curvature at land now or formerly of Robert V. Babigian;
- Thence running in a southerly direction along a curve to the left having a radius of 325.00 feet and a central angle of $75^{\circ} 35' 59''$ an arc distance of 428.83 feet by land of various sundry owners to a drill hole in a granite bound at a point of tangency at land now or formerly of the Joseph Konan;
- Thence $S 27^{\circ} 51' 47'' W$ by land of said Konan and land now or formerly of the Town of Grafton a distance of 497.04 feet to a drill hole in a concrete wall at a point of curvature;
- Thence running in a southerly direction along a curve to the right having a radius of 225.00 feet and a central angle of $20^{\circ} 02' 55''$ an arc distance of 78.73 feet to a drill hole in a granite bound at a point of tangency;
- Thence $S 07^{\circ} 48' 52'' E$ a distance of 143.52 feet to a drill hole in a granite bound at a point of curvature;
- Thence running in a southeasterly direction along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc distance of 47.12 feet to a drill hole in a granite bound at a point of tangency on the northerly sideline of Milford Road;
- Thence $S 82^{\circ} 11' 08'' W$ along the sideline of Milford Road a distance of 110.00 to the point of beginning.

Said parcel contains an area of 3.37 acres more or less, according to said plan.

BROOKMEADOW LANE

A certain parcel of land shown as "Brookmeadow Lane" on said plan and being more particularly described as follows:

Beginning at a drill hole in a granite bound at the southwest corner thereof, said point being on the northerly sideline of Providence Road, said point also being the southeast corner of land now or formerly of Glenn S. McKinstry:

- Thence running in a northeasterly direction along a curve to the left having a radius of 34.62 feet and a central angle of $89^{\circ} 36' 27''$ an arc distance of 54.14 feet to a drill hole in a granite bound;
- Thence N $47^{\circ} 58' 53''$ E a distance of 209.23 feet to a drill hole in a granite bound at a point of curvature;
- Thence running northeasterly along a curve to the left having a radius of 474.42 feet and a central angle of $28^{\circ} 03' 00''$ an arc distance of 232.26 feet to a drill hole in a granite bound;
- Thence N $19^{\circ} 55' 53''$ E a distance of 387.79 feet by various sundry owners to a drill hole in a granite bound at point of curvature at land now or formerly of Kevin Kurtz.
- Thence running in a northeasterly direction along a curve to the right having a radius of 525.00 feet and a central angle of $43^{\circ} 14' 54''$ an arc distance of 396.28 feet by various sundry owners to a drill hole in a granite at a point of tangency at land now or formerly of Vinod Kumar Manmathan;
- Thence N $63^{\circ} 10' 47''$ E by land of said Manmathan a distance of 37.58 to a drill hole in a granite bound at a point of curvature at land now or formerly of Patrick K. O'Mullan;
- Thence running in a northerly direction along a curve to the left having a radius of 325.00 feet and a central angle of $73^{\circ} 37' 54''$ an arc distance of 417.66 feet by various sundry owners to a drill hole in a granite bound at a point of tangency at land now or formerly of Fa Dong Wang;
- Thence N $10^{\circ} 27' 08''$ W a distance of 177.47 feet to a drill hole in a granite bound at a point of curvature at land now or formerly of Santosha L. Ammu;
- Thence running in a northerly direction along a curve to the right having a radius of 375.00 feet and a central angle of $46^{\circ} 15' 50''$ an arc distance of 302.80 feet by various sundry owners to a point at land now or formerly of Christopher Nardone
- Thence S $54^{\circ} 11' 17''$ E crossing Brookmeadow Lane a distance of 50.00 to a drill hole in a granite bound at a point of curvature;
- Thence running southwesterly by the westerly terminus of Taft Mill Road along a curve to the left having a radius of 325.00 feet and a central angle of $46^{\circ} 15' 50''$ an arc distance of 262.42 feet to a drill hole in a granite bound at a point of tangency at land now or formerly of Brookmeadow Village LLC;

- Thence S 10° 27' 08" E by land of Brookmeadow Village LLC a distance of 177.47 feet by various owners to a railroad spike in a driveway at a point of curvature at land now or formerly of Brookmeadow Village LLC;
- Thence running in a southwesterly direction by land of various sundry owners along a curve to the right having a radius of 375.00 feet and a central angle of 73° 37' 54" an arc distance of 481.92 feet to a drill hole in a granite bound at a point of tangency at land now or formerly of Scott M. Conway;
- Thence S 63° 10' 47" W a distance of 37.58 in part by said Conway land to a drill hole in a granite bound at a point of curvature at land now or formerly of Robert Cellupica;
- Thence running in a southwesterly direction along a curve to the left having a radius of 475.00 feet and a central angle of 43° 14' 54" an arc distance of 358.54 feet by various owners to a railroad spike in a driveway at a point of tangency at land now or formerly of Erik Moy.
- Thence S 19° 55' 53" W by various sundry owners a distance of 387.79 feet to a drill hole in a granite bound at a point of curvature at land now or formerly of the Town of Grafton;
- Thence running in a southwesterly direction by land of various sundry owners along a curve to the right having a radius of 524.42 feet and a central angle of 28° 03' 00" an arc distance of 256.74 feet to a point of tangency at land now or formerly of William Gregory and Elsie V. Burrill;
- Thence S 47° 58' 53" W by land of said Burrill a distance of 213.07 to a drill hole in a stone bound at a point of curvature;
- Thence running in a southwesterly direction along a curve to the left having a radius of 30.00 feet and a central angle of 90° 23' 33" an arc distance of 47.33 feet to a drill hole in a stone bound at a point of tangency on the northerly sideline of Providence Road. The last 2 courses by land of said Burrill;
- Thence N 42° 24' 41" W by said northerly sideline a distance of 114.59 to the point of beginning.

Said parcel contains an area of 110,479 square feet or 2.54 acres more or less, according to said plan.

DRAINAGE EASEMENT 1

An easement shown on said plan as "Drainage Easement #1" and being more particularly described as follows:

Beginning at a drill hole in a granite bound at the southeast corner thereof, said point being on the westerly sideline of Brookmeadow Lane, said point also being at the northeast corner of a water booster pump station easement:

- Thence N 60° 20' 25" W a distance of 47.97 feet to a drill hole in a granite bound;
- Thence N 27° 14' 35" E a distance of 241.41 feet to a drill hole in a granite bound at land now or formerly of Robert E. & Linda Jane Such and land now or formerly of the Town of Grafton;
- Thence S 70° 04' 07" E by said Town of Grafton land a distance of 18.95 feet to a drill hole in a granite bound on the westerly sideline of Brookmeadow Lane;
- Thence S 19° 55' 53" W by said westerly line of Brookmeadow Lane a distance of 199.96 feet to a drill hole in a granite bound at a point of curvature;
- Thence running in a southwesterly direction along a curve to the right having a radius of 474.42 feet and a central angle of 05° 45' 27" an arc distance of 47.67 feet by said westerly line of Brookmeadow Lane to the point of beginning.

Said easement contains an area of 8,388 square feet more or less, according to said plan. Said easement may be used for any and all purposes related to draining surface and ground water into the drainage basin, including, but not limited to, installing, inspecting, repairing, replacing, operating and maintaining open or covered surface and ground water drains with manholes, pipes, conduits, retention structures and their appurtenances for the discharge and retention of surface or ground water.

DRAINAGE EASEMENT 2

An easement shown on said plan as "Drainage Easement 2" and being more particularly described as follows:

Beginning at a drill hole in a granite bound at the southeast corner thereof on the westerly sideline of Taft Mill Road;

- Thence S 77° 58' 02" W a distance of 19.15 feet to a drill hole in a granite bound;
- Thence N 41° 00' 01" W a distance of 253.35 feet to a point;
- Thence N 83° 15' 11" W a distance of 113.16 feet to a drill hole in a granite bound;
- Thence S 67° 23' 19" W a distance of 245.66 feet to a drill hole in a granite bound;
- Thence S 61° 31' 23" W a distance of 225.33 feet to a drill hole in a granite bound at land now or formerly of William Gregory and Elsie V Burrill;
- Thence N 44° 48' 23" W a distance of 172.47 feet by said land of Burrill to a drill hole in a granite bound on the easterly sideline of Brookmeadow Lane;
- Thence Northeasterly and curving to the left along the arc of a curve having a radius of 524.42 feet, a central angle of 20° 54' 51", and arc distance of 191.42 feet by said easterly sideline of said Brookmeadow Lane to a drill hole in a granite bound;
- Thence N 19° 55' 53" E a distance of 3.42 feet to a point at land now or formerly of Brookmeadow Village, LLC;

Thence S 70° 04' 07" E a distance of 185.00 feet to a drill hole in a granite bound;

Thence N 19° 57' 15" E a distance of 100.81 feet to a drill hole in a granite bound at other land now or formerly of Brookmeadow Village, LLC. The previous two (2) courses bounding along said land of Brookmeadow Village, LLC;

Thence N 55° 16' 41" E a distance of 73.18 feet to a drill hole in a granite bound;

Thence S 62° 29' 36" E a distance of 190.46 feet to a drill hole in a granite bound;

Thence S 11° 56' 07" E a distance of 60.63 feet to a drill hole in a granite bound;

Thence S 83° 15' 11" E a distance of 127.73 feet to a drill hole in a granite bound;

Thence S 41° 00' 01" E a distance of 236.94 feet to a drill hole in a granite bound on the westerly sideline of Taft Mill Road;

Thence S 27° 51' 47" E a distance of 36.29 feet by said westerly sideline of said Taft Mill Road to the point of beginning.

Said easement contains an area of 2.45 acres, more or less, according to said plan. Said easement may be used for any and all purposes related to draining surface and ground water into the drainage basin, including, but not limited to, installing, inspecting, repairing, replacing, operating and maintaining open or covered surface and ground water drains with manholes, pipes, conduits, retention structures and their appurtenances for the discharge and retention of surface or ground water.

DRAINAGE EASEMENT 3

An easement shown on said plan as "Drainage Easement #3" and being more particularly described as follows:

Beginning at the northeast corner thereof on the westerly sideline of Taft Mill Road, said point being northwesterly an arc distance of 12.50 feet from a drill hole in a granite bound;

Thence Southeasterly and curving to the right along a curve having a radius of 475.00 feet, a central angle of 03° 01' 01", an arc distance of 25.01 feet along said westerly sideline of said Taft Mill Road to a point;

Thence S 56° 46' 38" W a distance of 144.53 feet to a point;

Thence S 36° 32' 31" W a distance of 85.32 feet to a point;

Thence S 47° 49' 38" W a distance of 131.05 feet to a point;

Thence N 54° 34' 52" W a distance of 125.84 feet to a drill hole in a granite bound at land now or formerly of Brookmeadow Village, LLC.;

Thence N 02° 55' 11" W a distance of 66.61 feet by said land of Brookmeadow Village, LLC to a drill hole in a granite bound;

Thence N 65° 51' 05" E a distance of 172.77 feet by land of Brookmeadow Village, LLC to a drill hole in a granite bound at land now or formerly of William T. Jr. and Natalie M. Reid;

Thence S 40° 25' 23" E a distance of 73.17 feet by said land of Reid to a point;

Thence N 56° 46' 38" E a distance of 187.29 feet to said westerly sideline of said Taft Mill Road to the point of beginning.

Said easement contains an area of 33,339 square feet, more or less, according to said plan. Said easement may be used for any and all purposes related to draining surface and ground water into the drainage basin, including, but not limited to, installing, inspecting, repairing, replacing, operating and maintaining open or covered surface and ground water drains with manholes, pipes, conduits, retention structures and their appurtenances for the discharge and retention of surface or ground water.

DRAINAGE EASEMENT 4

An easement as shown on said plan as "Drainage Easement #4" and being more particularly described as follows:

Beginning at a drill hole in a granite bound at the most easterly corner thereof on the westerly sideline of Brookmeadow Lane, said point also being the southeast corner of land now or formerly of Christopher Nardone.

Thence Southwesterly and curving to the left along the arc of a curve having a radius of 375.00 feet, a control angle of 4° 02' 46", an arc distance of 26.48 feet by the sideline of said Brookmeadow Lane to a drill hole in a granite bound at land now or formerly of Jason Isenberg;

Thence N 87° 11' 57" W a distance of 170.00 feet by said land of Isenberg to a drill hole in a granite bound;

Thence S 12° 38' 36" W a distance of 159.19 feet in part by said land of Isenberg and in part by land now or formerly of Jonathan Dumas to a drill hole in a granite bound;

Thence S 08° 43' 44" E a distance of 61.68 feet by said land of Dumas to a drill hole in a granite bound at land now or formerly of Santosha L. Ammu;

Thence S 89° 09' 23" W a distance of 101.80 feet to a drill hole in a granite bound;

Thence N 07° 17' 28" W a distance of 198.68 feet to an iron rod set in concrete;

Thence N 35° 47' 41" W a distance of 113.62 feet to a drill hole in a granite bound;

Thence N 14° 22' 58" E a distance of 89.48 feet to a drill hole in a granite bound;

Thence N 65° 43' 27" E a distance of 117.94 feet to a drill hole in a granite bound;

- Thence S 67° 51' 31" E a distance of 154.28 feet to a drill hole in a granite bound at said land of Nardone. The previous six (6) courses on land now or formerly of the Grafton Land Trust;
- Thence S 25° 19' 04" W a distance of 122.27 feet to a drill hole in a granite bound;
- Thence S 83° 02' 02" E a distance of 180.00 feet to the point of beginning. The previous two (2) courses bounding by said land of Nardone.

Said easement contains an area of 1.66 acres, more or less, according to said plan. Said easement may be used for any and all purposes related to draining surface and ground water into the drainage basin, including, but not limited to, installing, inspecting, repairing, replacing, operating and maintaining open or covered surface and ground water drains with manholes, pipes, conduits, retention structures and their appurtenances for the discharge and retention of surface or ground water.

DRAINAGE EASEMENT 5

An easement shown on said plan as "Drainage Easement 5" and being more particularly described as follows:

Beginning at the northwest corner thereof at a drill hole in a granite bound on the northeasterly sideline of Providence Road, said point also being the southwesterly corner of land now or formerly of Glenn S. McKinstry;

- Thence N 52° 20' 19" E a distance of 32.01 feet by land of said McKinstry to a drill hole in a granite bound
- Thence S 46° 48' 49" E a distance of 32.18 feet to a drill hole in a granite bound at a point of curvature on the northwesterly sideline of Brookmeadow Lane;
- Thence Westerly by said northwesterly sideline of Brookmeadow Lane along a curve to the right having a radius of 34.62 feet, a central angle of 89° 36' 27" and an arc distance of 54.14 feet to the point of beginning.

Said easement contains an area of 845 square feet more or less, according to said plan. Said easement may be used for any and all purposes related to draining surface and ground water into the drainage basin, including, but not limited to, installing, inspecting, repairing, replacing, operating and maintaining open or covered surface and ground water drains with manholes, pipes, conduits, retention structures and their appurtenances for the discharge and retention of surface or ground water.

SEWER EASEMENT

An easement shown on said plan as "Sewer Easement" and being more particularly described as follows:

Beginning at the northeast corner thereof at a point on the westerly sideline of Taft Mill Road, said point being S 27° 51' 47" E a distance of 16.69 feet from a drill hole in a granite bound;

- Thence S 27° 51' 47" E a distance of 30.38 feet by said westerly sideline of said Taft Mill Road to a point;
- Thence N 83° 15' 11" W a distance of 216.20 feet to a drill hole in a granite bound at land now or formerly of W.G.B. Properties, LLC;
- Thence S 67° 23' 19" W a distance of 237.83 feet by said land of W.G.B. Properties, LLC to a point;
- Thence S 61° 31' 23" W a distance of 194.23 feet on said land of W.G.B. Properties, LLC to a point;
- Thence N 37° 36' 28" W a distance of 14.70 feet to a point at land now or formerly of Town of Grafton;
- Thence S 63° 02' 40" W a distance of 50.88 feet by said land of Town of Grafton to a drill hole in a granite bound at a corner of land now or formerly of William Gregory Burrill and Elsie V. Burrill and land now or formerly of Michael Apple;
- Thence N 44° 48' 23" W a distance of 173.34 feet on said land of Burrill and said land of Apple to a drill hole in a granite bound on the easterly sideline of Brookmeadow Lane;
- Thence Northeasterly and curving to the left along the arc of a curve having a radius of 524.42 feet, a central angle of 2° 44' 07", an arc length of 25.04 feet by said easterly sideline of said Brookmeadow Lane to a drill hole in a granite bound at the northerly boundary of said land of Burrill at land now or formerly of the Town of Grafton;
- Thence S 44° 48' 23" E a distance of 182.70 feet by said land of Burrill to a drill hole in a granite bound;
- Thence N 61° 31' 23" E a distance of 225.33 feet to a drill hole in a granite bound;
- Thence N 67° 23' 19" E a distance of 245.66 feet to a drill hole in a granite bound;
- Thence S 83° 15' 11" E a distance of 205.50 feet to the westerly sideline of said Taft Mill Road to the point of beginning.

Said Sewer Easement contains an area of 20,945 square feet, more or less, according to said plan. Said easement may be used for any and all purposes related to providing underground sewer service to the lots shown on said plan, including but not limited to the right to install, repair, maintain and replace sewer pipes and related equipment within the easement area.

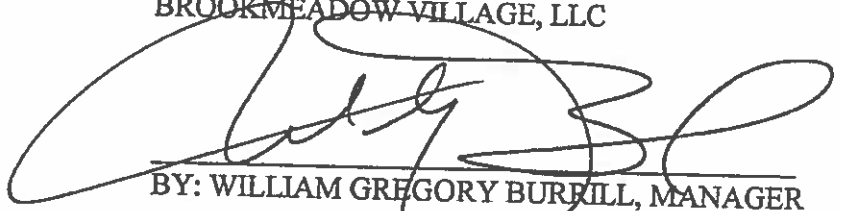
SIGHTLINE EASEMENTS

Two easements shown on said plan as "20' Wide Sightline Easement". No growth, planting, fence or structure of any kind which is in excess of 30 inches high shall be allowed within the easement area.

For title of grantor, see Deeds recorded with the Worcester District Registry of Deeds in Book 31870, Page 59; Book 31870, Page 63; and Book 32454, Page 99. Also, see Deed registered with the Worcester Land Registration Office as Document Number 82716 and noted on Certificate of Title No. 15046 in Book 76, Page 46. See Notice of Withdrawal of Land from the Registration System recorded with the Worcester District Registry of Deeds in Book 40136, Page 198.

EXECUTED AS A SEALED INSTRUMENT THIS ^{24th} DAY OF ^{October}, 2017.

BROOKMEADOW VILLAGE, LLC



BY: WILLIAM GREGORY BURRILL, MANAGER

THE COMMONWEALTH OF MASSACHUSETTS
WORCESTER, ss.

On this 24th day of October, 2017, before me, the undersigned notary public, personally appeared William Gregory Burrill, proved to me through personal knowledge to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as Manager of Brookmeadow Village, LLC.

Donna Lee Hurley
NOTARY PUBLIC: Donna Lee Hurley
MY COMMISSION EXPIRES: September 6, 2024



APPROVED, BY THE GRAFTON BOARD OF SELECTMEN

BY: _____

BY: _____

BY: _____

BY: _____

COMMONWEALTH OF MASSACHUSETTS
WORCESTER, SS.

On this day of , 2017, before me, the undersigned notary public, personally appeared _____, _____, _____, and _____, and proved to me through personal knowledge, to be the persons whose names are signed above, and acknowledged to me that they signed it voluntarily for its stated purpose, and acknowledged the foregoing instrument to be the free act and deed of the Grafton Board of Selectmen, before me

NOTARY PUBLIC:

MY COMMISSION EXPIRES:

**ITEM 4C: VOTE TO SIGN – CONTRACT WITH VANASSE HANGEN
BRUSTLIN, INC.**

I MOVE the Board vote to sign the contract with Vanasse Hangen Brustlin, Inc. for the total of \$613,200 for the Main Street Final Design.

NOTES:

This contract is for the Main Street Reconstruction Project as defined by the scope of services set forth in the Original Contract dated April 10, 2015.

AMENDMENT NO. 2
FOR PROFESSIONAL SERVICES
BETWEEN
VANASSE HANGEN BRUSTLIN, INC.
AND
THE TOWN OF GRAFTON

MAIN STREET (ROUTE 122A) – FINAL DESIGN
GRAFTON, MASSACHUSETTS

VHB PROJECT NO. 12462.01

FEBRUARY 15, 2018

Vanasse Hangen Brustlin, Inc., hereinafter called the "ENGINEER, will provide additional engineering consulting services to the TOWN OF GRAFTON, hereinafter called the "CLIENT", for the Main Street (Route 122A) Reconstruction Project in Grafton, Massachusetts, as set forth in this Scope of Services. This Scope of Services is Amendment No. 2 to the Original Contract dated April 10, 2015 and is subject to all Terms and Conditions of the Original Contract, which remain in full force and effect, except as specifically amended herein.

PART I

COMPENSATION – FIXED LABOR FEE PLUS EXPENSE

1. The total estimated compensation for performing the Scope of Services described in detail in this Agreement (following the signature page), is estimated below:

	<u>Amendment</u>	<u>Contract Total</u>
Fixed Labor Fee*	\$ 360,000	\$ 562,700
Survey, Geotechnical and Lighting	\$ 35,000	\$35,000
Design Allowances	\$ 8,000	\$15,500
Estimated Direct Costs		
TOTAL ESTIMATED COST	\$ 403,000	\$ 613,200

* Fixed Labor fee is defined as the fee for direct labor, overhead, and profit exclusive of direct costs.

2. The breakdown of the Fixed Labor Fee is as follows:

Tasks	Estimated Labor Fees
100 25% Highway Design Revisions	\$29,000
200 Environmental	\$34,000
300 75% Highway Design	\$140,000
400 100% Highway Design	\$85,000
500 Right of Way	\$20,000
600 Geotechnical Design*	\$5,000
700 Final Plans, Specifications & Estimate (PS&E)	\$35,000
800 Project Meetings	\$12,000
TOTAL ESTIMATED LABOR FEE	\$360,000

* Design fee includes budget for VHB to coordinate with its Geotechnical subconsultant. Work completed by the geotechnical sub-consultant to conduct 2 borings at the emergency traffic signal location will be billed to the CLIENT as an expense.

3. The total Fixed Labor Fee for services rendered in Tasks 100 through 800 will be invoiced monthly as a percentage of completion. A progress report outlining all activities, by Task, that were conducted during the invoice period will be included.
4. The ENGINEER will not exceed the total estimated Fixed Labor Fee or estimated direct costs as stated herein without the prior written approval of the CLIENT.
5. All direct costs (i.e., reimbursable expenses) for items such as printing, reproduction, supplies, photography, transportation, soils and materials testing, equipment rental, mail and deliveries will be invoiced to the CLIENT at cost. An initial upset limit for direct costs of \$8,000 has been established; that amount will not be exceeded without prior written agreement of the CLIENT.
6. The CLIENT agrees to provide police services as required for all field activities such as highway survey, soil and pavement testing, etc. The ENGINEER will coordinate its schedule with the local police services, and the CLIENT will be responsible for payment of such services directly to the local police. Expenses for such services are not part of this agreement and, therefore, not included in the fee contained herein.
7. The ENGINEER will engage the services of a subconsultant for electrical engineering services for the design of the proposed street lighting system, as previously requested. An initial estimate of \$18,000 has been established for this effort, but will be dependent on actual subconsultant costs at the time of performance. That amount will not be exceeded without prior written agreement of the CLIENT.
8. All schedules set forth in Part I of this Agreement begin upon receipt of a signed Agreement.

PERIODS OF SERVICE

1. The ENGINEER agrees to render services for Phase I (Tasks 100 through 800) within eighteen (18) months of the date of execution of this Agreement; however, this is subject to change based on MassDOT and/or Town reviews, the right-of-way process, and the date selected by MassDOT to advertise the project. VHB will provide updated schedules to the Town and MassDOT during this process.

IN WITNESS WHEREOF, the parties have hereto and to two other identical instruments set forth their hands and executed this as an instrument under seal this the day and year first above written.

The Town of Grafton by:

The Contractor by:
Vanasse Hangen Brustlin, Inc.:

Chairman, Board of Selectmen

Mark E. Shamon, P.E.
Managing Director of Transportation Engineering

Certified as to Form:

Town Counsel Date

Certified as to Appropriation/Availability of Funds:

Town Accountant Date

SCOPE OF SERVICES

DESCRIPTION OF SERVICES

The CLIENT has retained the ENGINEER to provide additional engineering services involved in the final design of roadway and emergency traffic control improvements for Main Street (Route 122A) in Grafton, Massachusetts.

PROJECT LIMITS

The project limits are from the Sutton Town Line to Providence Road (Route 122). The Project Length is approximately 10,860 linear feet (2.057 miles).

Improvements will conform to the 25% design plans titled "MAIN STREET (ROUTE 122A) GENERAL PLANS," prepared by Vanasse Hangen Brustlin, Inc. and dated 01/16/17.

It is understood that the Scope of Services under this Agreement may be changed by actions of the CLIENT, The Massachusetts Department of Transportation (MassDOT) and the Federal Highway Administration (FHWA). Changes to the project scope may require additional compensation or adjustments to the ENGINEER's fee.

PHASE I – DESIGN SERVICES

100 25% HIGHWAY DESIGN REVISIONS

Based on comments received at multiple meetings with the Public, the CLIENT and MassDOT, revisions will be made to the previously submitted Design Exception Report (DER). The ENGINEER will make revisions to the Design Exception Report, 25% highway design and right-of-way plans for review and comment by the CLIENT and MassDOT. Revised highway plans will be prepared for presentation at the Design Public Hearing (DPH).

200 ENVIRONMENTAL PERMITTING

The ENGINEER has assumed that the proposed project will result in wetland impacts less than 5,000 square feet; however, fill within an Outstanding Resource Water (ORW) is proposed, which requires environmental permitting. The scope is as follows based on this assumption:

- 201 Preparation of a Notice of Intent pursuant to the Wetlands Protection Act (WPA). The engineer will examine the effects of the proposed project on resource areas protected under the Wetland Protection Act and, based on those effects, will prepare and file a Notice of Intent (NOI) with the Town of Grafton Conservation Commission and the Massachusetts Department of Environmental Protection (DEP). A Draft NOI will be submitted to the Town of Grafton and MassDOT for review and all comments will be addressed before a final document is submitted to the TOWN OF GRAFTON Conservation Commission. The NOI will include the completed NOI form and an attached narrative description of the project. As part of the NOI, the ENGINEER will develop mitigation plans to avoid, minimize, and compensate for impacts to resource areas. VHB will prepare a stormwater management memorandum and Checklist for submission with the NOI.

As part of this task, the ENGINEER will attend one (1) Conservation Commission public hearing and also one (1) site walk, if necessary.

202 Preparation of an Environmental Notification Form (ENF) pursuant to the Massachusetts Environmental Protection Act (MEPA). The engineer will examine the effects of the proposed project on resource areas protected under the Massachusetts Environmental Protection Act and, based on those effects, will prepare and file an Environmental Notification Form (ENF) with the Executive Office of Energy and Environmental Affairs. The Project is expected to meet the criteria for an ENF due to the anticipated cutting of more than four living public shade trees of 14 or more inches. A Draft ENF will be submitted to MassDOT for review and all comments will be addressed before a final document is submitted to the MEPA Office.

203 75% WATER QUALITY DATA FORM (WQDF). The project is within the Blackstone River watershed, a Category 5 impaired Waterbody, as evaluated per the requirements of Section 303(d) of the Federal Clean Water Act. Subsequently, the ENGINEER will document the incorporation of Best Management Practices (BMPs) in the stormwater management system by completing the 75% Design portion of the WQDF and submitting this information to MassDOT as part of the 75% Design submission.

204 Stormwater Management. It is assumed that this project is defined as a "Redevelopment Project" as stated in the Massachusetts Stormwater Handbook, (2008), as issued by the Department of Environmental Protection. A "Redevelopment Project" is defined as maintenance and improvements of existing roadways, including widening less than a single lane, adding a shoulder, and correcting substandard intersections and drainage or development on a previously developed site resulting in no net increase in impervious area. The ENGINEER will prepare a stormwater management memorandum and Checklist for inclusion with the NOI.

This task will also include, based on comments issued by MassDOT on the 25% Design Submission, evaluating the feasibility of implementing structural best management practices (BMP's) such as water quality swales, rain gardens and/or detention basins. Due to the lack of available right-of-way, and the urban nature of the corridor, large-scale BMP's are not expected to be possible, and thus full design of BMP's is not included in this scope at this time. This effort will involve identifying areas along the corridor that could be further explored for locating BMP's and a preliminary horizontal layout of potential features to determine their feasibility.

300 75% HIGHWAY DESIGN

The ENGINEER will prepare the 75% highway design for review and comment by the CLIENT, MassDOT and other agencies, as required. Comments made by the CLIENT, MassDOT and other agencies during the previous design submission, as well as comments made by the members of the public at the design public hearing will be considered and responded to, as appropriate, during this task.

In the development of the 75% design and the preparation of the Contract Plans and Specifications, the ENGINEER will perform the following project tasks:

301 Field Reconnaissance. VHB will collect supplemental survey on the south side of Main Street, between Messier Street and Leland Hill Road, and update the existing base plan to accommodate revisions made as part of Task 100. It is recommended that the CLIENT carry an allowance of \$10,000 for this work.

302 Intersection and Roadway Design. Provide design plans and calculations for:

- Construction/materials

- Layout
- Drainage modifications
- Emergency traffic signalization – 1 Location (layout, color sequence, timing and interconnection)
- Pavement markings
- Sign Summary
- Typical Sections and cross sections
- Alignment
- Intersection grading
- Construction details
- Temporary Traffic Control Plans

- 303 Utilities. Assist the CLIENT and MassDOT in coordinating with municipality and private utility companies to establish relocation and/or modification procedures for existing utilities compatible with proposed improvements. This task does not include the design of new utilities.
- 304 Special Provisions. Prepare Special Provisions to the Standard Specifications in accordance with MassDOT procedures and based on the Standard MassDOT Specifications for Highways and Bridges.
- 305 Calculation Booklet. The ENGINEER will calculate the quantities of all items of work necessary to construct the proposed improvements. These items consist of: roadway, sidewalk and traffic signal construction, drainage and utility work, temporary traffic control operations during construction, landscaping, signing and striping. Quantity takeoffs will be calculated based on the current MassDOT Standards and Procedures.
- 306 Detail Sheets. Detail sheets will be prepared for select items per MassDOT requirements.
- 307 Construction Estimate. Based on the quantities calculated in task 305, the ENGINEER will update and augment the Preliminary Construction Estimate previously submitted. Unit prices for standard MassDOT items will be estimated based on the current data available on the MassDOT website. Unit prices for non-standard items will be estimated based on current industry costs.
- 308 Temporary Traffic Control Plans. Develop traffic management plans that will permit access to adjacent properties, and manage traffic through the construction zones.

400 100% HIGHWAY DESIGN

The ENGINEER will prepare the 100% highway design for review and comment by the CLIENT, MassDOT, and other agencies, as required. Comments made by the CLIENT, MassDOT, and other agencies during the previous design submission will be considered and responded to, as appropriate, during this task.

In the development of the 100% design, the ENGINEER will update the contract plans, special provisions, cost estimate, and calculation book from the previous submission.

500 RIGHT-OF-WAY

501 Preliminary Right-of-Way Plan

- The proposed roadway improvements will require easements for temporary and permanent construction outside of the Town Layout Line.
- The ENGINEER will obtain copies of the deeds for properties affected by the necessary acquisition of permanent easements. The ENGINEER will be entitled to reasonably rely on the information obtained as a result of its research concerning deeds of properties pursuant to this section.
- The ENGINEER will update the Preliminary Right-of-Way Plans previously submitted, based on the 75% HIGHWAY DESIGN, for the acquisition of easements by the City. The Plans will contain the information to identify and define :
 1. The location and limits of the required layout alteration.
 2. The dimensions of each acquisition parcel required, the approximate parcel areas, the owners' names, the Assessor's Map references and the Registry of Deeds' references.
 3. The dimensions of each temporary and permanent easement parcel required, the approximate parcel areas, the owners' names, the Assessors Map references and the Registry of Deeds' references.
 4. An updated parcel summary sheet listing each acquisition and easement parcel, their total area, the parcel areas, the areas remaining and the Registry of Deeds' references.

502 Final Right-of-Way Plan

- The ENGINEER will update the Preliminary Right-of-Way Plans previously submitted, based on the 100% HIGHWAY DESIGN, for the acquisition of easements by the City.
- The ENGINEER will prepare individual Right-of-Entry Forms for each property where construction is required outside the road layout. It is anticipated that the CLIENT will secure the necessary signatures and rights for work on private property.

503 Layout Plans.

- Upon completion of the Final Design Plans, the ENGINEER will prepare a Layout Plan and written description to define the location, dimensions and bearings of the required road layout alteration.
- The Layout Plan will also include the location, dimensions, area and owner's name of each permanent and temporary easement parcel.
- The Layout Plan and written description will be prepared in conformance with Registry of Deeds standards and requirements, stamped and signed by a Land Surveyor registered in the Commonwealth of Massachusetts and furnished to the CLIENT for recording at the Registry.

600 GEOTECHNICAL DESIGN

- 601 Soils Investigation. A soil investigation is required for the project for design of the proposed mast arm foundation locations, for the emergency traffic signal. The

ENGINEER will establish up to two (2) boring locations for soil investigations in the project area in coordination with a Geotechnical Subconsultant. As part of this Task, the ENGINEER will provide the Subconsultant with relevant available data and assist in field locating the required soil borings required. The Geotechnical Subconsultant will be responsible for supervising the borings and preparing a Geotechnical Report based on the soils investigations performed. This Report will be reviewed by the ENGINEER and findings included in the 75% HIGHWAY DESIGN Documents, where required. A total of two borings are anticipated.

700 FINAL PLANS, SPECIFICATIONS AND ESTIMATE (PS&E)

The ENGINEER will prepare the final highway design for MassDOT to use in advertising for construction. Comments made by the CLIENT, MassDOT, and other agencies during the previous design submission will be considered and responded to, as appropriate, during this task.

In the development of the final design, the ENGINEER will update the contract plans, special provisions, cost estimate, calculation book.

800 PROJECT MEETINGS

The ENGINEER will attend project meetings with the CLIENT, MassDOT, agencies, organizations, and other groups as requested by the CLIENT. Services include preparation, travel, attendance, supporting graphics (when required) and documentation in the form of meeting notes.

801 Project Meetings. The ENGINEER will attend project meetings with the CLIENT, MassDOT and other affected agencies, organizations and groups as requested by the CLIENT. Services include preparation, travel, attendance, supporting graphics (when required) and documentation in the form of meeting notes.

For the purposes of this AMENDMENT, the ENGINEER has assumed attendance will be necessary at two (2) meetings with the CLIENT and two (2) meetings with the MassDOT District 3 Office. In addition, this amendment assumes attendance at two (2) Utility Field Meetings with MassDOT and affected utility companies to assess impacts and relocations required for the project.

802 Abutter Meetings. The ENGINEER will accompany the CLIENT to meetings with Project Abutters. Services include preparation, travel, and attendance with supporting graphics (when required), and documentation in the form of meeting notes. For the purposes of this Agreement, the ENGINEER has assumed attendance will be necessary at 2 meetings for a total of 5 hours.

803 Public Meetings/Hearings. If necessary, the ENGINEER will attend public meetings/hearings with the CLIENT. Services include preparation, travel, and attendance with supporting graphics (when required), agenda preparation and documentation in the form of meeting notes. For the purpose of this amendment, the ENGINEER has assumed attendance at one (1) Public Information meeting following completion of the 75% Design Submission to provide design updates and solicit comments.

SERVICES NOT INCLUDED

The following services are not anticipated and, therefore, not included in this Agreement at this time:

- Structural design other than for design elements described in the Scope of Services. Specific structural services not included are geotechnical engineering and post-construction inspection and load capacity rating calculations.
- Evaluation, analysis or reports on existing structures including bridges, culverts and retaining walls. Should any of the existing structures within the project limits require replacement, an amendment to this contract would be required to address hydraulics, structural capacity, and geotechnical/foundation design.
- Major drainage studies, beyond what is covered in the preceding sections, and design of major storm drains. (It is to be assumed that proposed drainage will be connected to existing drainage lines and that no major drainage study or design beyond the limits of work will be required).
- Preparation of a Construction Time Determination schedule.
- Preparation of Speed Limit Study.
- Preparation of Applications for Variances for proposed wheelchair ramp locations.
- In accordance with Land Court procedures, preparation of right-of-way plans, layout plans, taking plans, and descriptions involving the alteration of Land Court parcels.
- Bid Phase and Construction Phase services.
- Investigation, identification testing, or analysis of hazardous waste material.
- Services to prepare and obtain any environmental permits relevant to the following agencies/legislation:
 - U.S. Army Corps of Engineers (i.e. PGP I or PGP II)
 - National Environmental Policy Act (i.e. Categorical Exclusion Checklist and/or Environmental Impact Statement)

It is not anticipated that the permits outlined above will be required as part of the Project. If necessary, work required to secure any additional environmental permits will be included in a subsequent amendment to the CLIENT at the completion of the 75% design phase.

- Services related to any other environmental clearances, including but not limited to the following: Section 10 Permit from the ACOE; Chapter 91 Waterways License or Permit from the DEP under 310 CMR 9.00; a Federal Coastal Zone Consistency Determination from the Massachusetts Coastal Zone Management Office; a U.S. Coast Guard Bridge Permit; Section 106 or Chapter 254 Clearance from the Massachusetts Historical Commission; National Pollutant Discharge Elimination System Permit from the Environmental Protection Agency; or Section 4(f) Approval from FHWA.
- The design of retaining walls for the project or specifically for the 155 Main Street parcel . During this design process, and through further coordination with the property owner, it will need to be determined if a retaining wall is needed (or if it is the best option) to accommodate parking lot modifications. Any improvements to the parking lot are not anticipated to be included as part of the TIP project and will need to be coordinated as part of the ROW process. While survey and preliminary improvement sketches will be prepared for this property, additional design plans could be required. This will need to be further evaluated as the project advances.

Should services be required in these areas, or areas not previously described, the ENGINEER will prepare a proposal or amendment, at the CLIENT's written request, that contains the Scope of Services, Compensation, and Schedule to complete the additional services.

TOWN OF GRAFTON

DATE:

This Contract is entered into on, or as of, this date by and between the Town of Grafton, 30 Providence Road, Grafton, MA 01519 (the "Town"), and

VHB, Inc
Attn: John Bechard
Union Station Suite 219
2 Washington Square
Worcester, MA 01604

508-752-1001
Telephone Number

508-752-1276
FAX Number

1. This is a Contract for the procurement of the following:

Twenty-five percent (25%) Design services to be performed per the attached proposal and the following:

SCOPE OF SERVICES

Main Street in South Grafton extends from Providence Road (Route 122) to the Sutton Town line, a length of approximately 10,000 linear feet (1.9 miles). Main Street is functionally classified as an Urban Minor Arterial with a mixture of residences, small businesses, the South Grafton Elementary School, Grafton Fire Department's Station 3, two churches and convenience stores.

This section of Main Street also encompasses two villages, Farnumsville and Fisherville, within which the Mill Villages Park was recently constructed. Three bridges also exist within the project limits. These structures span the Blackstone River, Blackstone Canal and the Providence and Worcester Railroad; However, no improvements are anticipated to these structures as part of this project at this time.

This project has been approved by the Massachusetts Department of Transportation (MassDOT) for funding the proposed improvements along Main Street through the Central Mass MPO. The project will include the following:

Rehabilitation of the existing pavement and sidewalks
Minor roadway & sidewalk horizontal and vertical realignment
Minor utility adjustments
Installation of closed drainage system(s)
Installation of signs and pavement markings
Installation of streetscape elements (e.g. street lights, trees, benches, etc.)

VHB will provide the following engineering services as described in detail below, in accordance with MassDOT standards and guidelines.

Field survey
Engineering research

Pavement testing and analysis

Environmental assessment and permitting

Drainage system analysis and improvements

Preparation of Preliminary Design and Right of Way Plans and Engineer's Estimate

Field Reconnaissance

VHB will conduct a field survey within the limits of the Main Street project. Information to be collected includes the following:

Establish horizontal and vertical control based on the Massachusetts Coordinate Grid system. Temporary benchmarks/traverse points will be established no more than 500 feet apart throughout the project limits.

Verify in the field all surface detail and readily visible surface features as needed, including curbing, sidewalks, signs, fences, mailboxes, driveways, and utilities.

Establish existing ground cross sections every 50 feet and at critical locations, including all driveway openings.

Obtain pipe sizes, invert and rim elevations for all sanitary sewer and drainage structures, if present.

Review the project area and surrounding area to identify and delineate regulated wetland resource areas subject to state and local jurisdiction. Delineation of these resource areas will be performed within 150 feet of roadways and easements and will include placing numbered plastic surveyors' flagging at the limit of the jurisdictional areas. These wetland flags will then be field located with elevations.

Reduce check and plot survey at a scale of 1 inch = 20 feet.

Available record information will be gathered from the Town of Grafton regarding existing roadway elements, including the alignment as well as water, sewer, utility and drainage information. This information will be incorporated into the base mapping data gathered during the field survey efforts and used as the basis for the design of the proposed improvements.

VHB will obtain plans for all public and private utilities within the project limits and incorporate as needed into the base map. Subsurface utilities will be located based on record data and surface features.

VHB will research available right-of-way and property information at the Town of Grafton, Worcester County Registry of Deeds and Land Court and MassDOT to establish the roadway layout within the project limits. Property lines will be approximated based on Assessor's information provided by the Town. The complete base map will be submitted to the Town as a record of the existing conditions for the project.

Soil Explorations, Evaluation, and Pavement Design

A visual condition assessment of the project area, with detailed consideration for existing pavement distress will be conducted and a photographic inventory of the roadway will be produced. VHB will also combine this task with a review of the Town's Pavement Management Program assessment for Main Street.

Due to existing pavement deterioration, VHB will perform soil explorations in the form of pavement test pits within the roadway to determine the existing pavement structure and subgrade materials. Both shallow (15" in depth) cores and full depth (30" in depth) test pits will be advanced to assist in the pavement design analysis; approx. 6 total test pits will be sampled. VHB will provide AASHTO and Unified Soil Classifications for the base, subbase, and subgrade materials in accordance with ASTM and AASHTO criteria.

Once the existing soils have been analyzed, VHB will make recommendations for repaving, reclamation, and/or full-depth reconstruction of the roadway. VHB will develop a proposed pavement design based on the testing and traffic data collected using MassDOT pavement design methods that will result in long term pavement service while considering cost effective pavement restoration alternatives. Whenever possible, recommendation alternatives will provide economic benefit by the re-use of existing materials.

Traffic Data Collection and Analysis

As part of the preliminary design submission, VHB will collect traffic counts at strategic locations along Main Street to determine the existing traffic patterns along the corridor. Automatic Traffic Recorder (ATR) Counts will be collected for a minimum of 48 hours at three locations along Main Street on a typical Tuesday, Wednesday and/or Thursday. Turning Movement Counts (TMCs) will be collected at the intersection of Main Street at Elmwood Street for a total of eight hours. A technical memorandum/ Functional Design Report will be prepared documenting the existing traffic conditions, crash analysis, signal warrants and geometric/lane configuration analyses.

Preliminary Design

Preliminary Design – Concept Development

This task will prepare a concept design from the completion of the base plan and pavement design tasks. Conceptual plans will be prepared by VHB and meetings will be held with the Town and the public to build consensus as to the layout to proceed with to preliminary and final design.

Preliminary Design – 25% MassDOT Submission

Once the conceptual layout has been approved by the Town and MassDOT, VHB will advance the 25% design for the project. The following preliminary design tasks are anticipated and will be included as part of this design submission:

- Roadway design plans, including pavement markings/signs, and geometric improvements
- Typical roadway cross-sections
- Construction plans/utility plans
- Preliminary profiles
- Critical cross sections
- Approximate grading limits
- Preliminary drainage system analysis
- Environmental impacts and proposed mitigation

Preliminary Right-of-Way Plans
Project limits and construction materials
Preliminary construction cost estimate

Design Exception Request (DER)

The preparation of a Design Exception Request (DER) is required by MassDOT at the 25% Design Phase, for deficiencies present within an existing roadway that cannot meet State and Federal guidelines. Based on a site visit to the project area, gaps exist within the existing sidewalk, primarily along the southerly side of Main Street. The Department's recent Healthy Transportation Design Policy states that sidewalks must be present along both sides of any roadway or bridge project. As part of this project, VHB will install new sidewalks where none exist today, where feasible, but does anticipate not being able to fully comply with this policy, especially at the existing bridges within the project limits. Thus, a DER will be prepared for review and approval by MassDOT.

Drainage Analysis

For the purposes of stormwater management, it is assumed that this project qualifies as a "Redevelopment Project" as stated in the Massachusetts Stormwater Handbook (2008), as issued by the Department of Environmental Protection. A "Redevelopment Project" is defined as maintenance and improvements of existing roadways, including widening less than a single lane, adding a shoulder, and correcting substandard intersections and drainage or development on a previously developed site resulting in no net increase in impervious area.

A drainage analysis will be performed to evaluate capacity of the existing systems and runoff characteristics of the areas contributing to the roadway drainage systems along Main Street. Information gathered from the Town during the MassDOT project approval process revealed that existing systems are antiquated and in need of upgrades. This is especially true in the Elmwood Street area of the project. As part of the analysis process, VHB will identify alternative practical means of improving water quality, including the incorporation of new catch basins with deep sumps.

Right-of-Way Actions

Right-of-way impacts may be required to accommodate additional lane widths and shifts, in addition to construction easements. Layout alterations may also be required at intersection corners due to ADA-compliant accessibility ramps. It will be the responsibility of the Town of Grafton to secure these actions. The limits of takings and easements will be defined on the Preliminary Right-of-Way Plans for use by the Town in securing the necessary private land rights. Preliminary Right of Ways plans describe what land is necessary for construction purposes. The Town is responsible for determining the impact of construction on property and the need for additional takings or easements. These plans will be prepared as part of the 25% design phase and be updated at future submission milestones.

Environmental Assessment and Permitting

VHB will coordinate the following environmental reviews so that they happen smoothly, concurrently, and in concert with the roadway design. Applications and documents will be reviewed by MassDOT and the Town and comments addressed before materials are submitted to the review agencies and the public. VHB will attend the required public meetings and coordination meetings with the agencies. VHB has assumed that the proposed project will result in wetland impacts less than 5,000 square feet. The scope is as follows based on this assumption:

Early Environmental Coordination

VHB will conduct early environmental coordination in accordance with MassDOT's design directive E-02-005 as part of the 25% design submission. Early consultation letters will be prepared and submitted to the local historical commission and tribal resource agencies requesting information on the proposed project area and any potential cultural issues that need to be considered. VHB further assumes that MassDOT will be responsible for coordination with the Massachusetts Historical Commission. VHB will identify potential rare species habitat using the Massachusetts Natural Heritage and Endangered Species Program (NHESP) data layer on MassGIS, but assumes MassDOT will coordinate project review directly with the NHESP. A memorandum will be prepared regarding the presence of federally protected threatened or endangered species in the project area. If necessary, VHB will request additional information from the U.S. Fish and Wildlife Service.

As part of the Early Environmental Coordination, the presence of possible hazardous waste contamination within the project area will be researched using the DEP on-line Site File Reviewer for any sites that may impact the project area. In addition, the project area will be field reviewed for any potential material that will require special handling (pressure treated wood, mercury switches, etc.). A memorandum will be prepared summarizing the results of the file review.

The following mapping of the Project area will be created for the 25% design submission to MassDOT: USGS Locus Map

Aerial Locus Map

NHESP Estimated and Priority Habitat

FEMA Designated Floodplain

Stormwater Critical Areas

Open Space, ACEC and Historic Resources

Categorical Exclusion (CE) Checklist

As part of the 25% design submission, VHB will also prepare an Individual Categorical Exclusion (CE) Checklist and Supplemental Information document in accordance with the MassDOT's requirements and the Federal Highway Administration's (FHWA) NEPA Regulations. A draft document will be submitted to MassDOT and the Town for review and comments addressed before a final document is submitted to MassDOT for filing with the FHWA. A CE Checklist is required for all federally funded construction projects under the Transportation Improvement Program (TIP).

MassDOT Water Quality Data Form Preparation

The preparation of water quality data forms will be necessary as part of the 25% submissions. Their purpose is to determine the receiving water body(ies) tributary to the project area, and determine if there are any known impairments or total maximum daily loads (TMDL), and if so, determine opportunities for best management practices suitable to mitigate proposed improvements.

Project Meetings

VHB will act as the Town's liaison at various meetings to effectively advance the design of the project. These meetings will provide a forum for discussion and coordination with various groups involved in the project, including MassDOT – District 3 and Boston, the Federal Highway Administration (FHWA), the Central Massachusetts Regional Planning Commission (CMRPC)

and local officials. VHB will prepare presentation materials, make presentations, and prepare and distribute meeting notes as needed to the respective participants for the following meetings to advance the project design.

- Design Public Hearing (25% Public Hearing)
- Public Information Meetings with the stakeholders and abutters
- MassDOT Meetings
- Project Progress Meetings
- Utility Meetings

Design Public Hearing

Once MassDOT and the Town have approved the 25% preliminary design, a design public hearing will be scheduled to solicit community input. MassDOT will be responsible for presenting the project to the public. VHB will prepare presentation materials and will assist MassDOT in the project presentation.

Upon completion of the Design Public Hearing process, the Final Design phase will commence (including 75%, 100% and PS&E Design Submissions).

2. The Contract price to be paid to the Contractor by the Town is: \$198,900 which includes \$7,500 in Reimbursable Costs (printing, travel, pavement testing, traffic counts, etc...)

3. Payment will be made as follows:

3.1 Fees and Reimbursable Costs combined shall not exceed \$ 198,900 as more fully set forth in the Contractor Documents.

3.2 There shall be no further costs, fees or reimbursable charges due the Contractor under this Contract unless said fees and/or costs are so set forth in writing. The Town will not pay any surcharge or premium on top of the direct out of pocket expenses, if any.

3.3 Final payment including any unpaid balance of the Contractor's compensation shall be due and payable when the Project/Services is/are delivered to the Town when the project is completed and the services are complete and/or the goods are delivered and accepted.

4. Definitions:

4.1 Contract Documents: All documents relative to the Contract including (where used) Request for Proposals and all attachments thereto, Instructions to Bidders, Proposal Form, Specifications. The Contract documents are complementary, and what is called for by any one shall be as binding as if called for by all.

4.2 Contractor: In this agreement, the word Contractor refers to the consulting firm, Vanasse Hangen Brustlin, Inc.

4.3 Date of Substantial Performance: The date when the work is sufficiently complete and the services are performed, in accordance with Contract documents, as modified by approved Amendments and Change Orders.

4.4 Services: shall mean furnishing of labor, time, or effort by the Contractor. This term shall not include employment agreements, collective bargaining agreements, or grant agreements.

4.5 Work: The services or materials contracted for, or both.

5. Term of Contract and Time for Performance:

This Contract shall be fully performed by the Contractor in accordance with the provisions of the Contract Documents on or before December 31, 2015, unless extended, in writing, at the sole discretion of the Town, and not subject to assent by the Contractor. Time is of the essence for the completion of the Contract.

6. Subject to Appropriation:

Notwithstanding anything in the Contract Documents to the contrary, any and all payments which the Town is required to make under this Contract shall be subject to appropriation or other availability of funds as certified by the Town Accountant. In the absence of appropriation or availability as certified herein, this Contract shall be immediately terminated without liability for damages, penalties or other charges to the Town.

7. Permits and Approvals:

Permits, Licenses, Approvals and all other legal or administrative prerequisites to its performance of the Contract shall be secured and paid for by the Contractor.

8. Termination and Default:

8.1 Without Cause. The Town may terminate this Contract on seven (7) calendar days notice when in the Town's sole discretion it determines it is in the best interests of the Town to do so, by providing notice to the Contractor, which shall be in writing and shall be deemed delivered and received when given in person to the Contractor, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the Contractor. Upon termination without cause, Contractor will be paid for services rendered to the date of termination.

8.2 For Cause. If the Contractor is determined by the Town to be in default of any term or condition of this Contract, the Town may terminate this Contract on seven (7) days notice by providing notice to the Contractor, which shall be in writing and shall be deemed delivered and received when given in person to the Contractor, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the Contractor.

8.3 Default. The following shall constitute events of a default under the Contract: any material misrepresentation made by the Contractor to the Town; 2) any failure to perform any of its obligations under this Contract including, but not limited to the following: (i) failure to commence performance of this Contract at the time specified in this Contract due to a reason or circumstance within the Contractor's reasonable control, (ii) failure to perform this Contract with sufficient personnel and equipment or with sufficient material to ensure the completion of this Contract within the specified time due to a reason or circumstance within the Contractor's reasonable control, (iii) failure to perform this Contract in a manner reasonably satisfactory to the Town, (iv) failure to promptly re-perform within a reasonable time the services that were rejected by the Town as unsatisfactory, or erroneous, (v) discontinuance of the services for reasons not beyond the Contractor's reasonable control, (vi) failure to comply with a material term of this Contract, including, but not limited to, the provision of insurance and non-discrimination, (vii) any other acts specifically and expressly stated in this Contract as constituting a basis for termination of this Contract, and (viii) failure to comply with any and all requirements of state law and/or regulations, and Town bylaw and/or regulations.

9. The Contractor's Breach and the Town's Remedies:

Failure of the Contractor to comply with any of the terms or conditions of this Contract shall be deemed a material breach of this Contract, and the Town of Grafton shall have all the rights and remedies provided in the Contract documents, the right to cancel, terminate, or suspend the Contract in whole or in part, the right to maintain any and all actions at law or in equity or other proceedings with respect to a breach of this Contract, including "Damages" including but not limited to costs, attorney's fees or other damages resulting

form said breach ("Damages") as well as specific performance, and the right to select among the remedies available to it by all of the above.

10. Statutory Compliance:

10.1 This Contract will be construed and governed by the provisions of applicable federal, state and local laws and regulations; and wherever any provision of the Contract or Contract Documents shall conflict with any provision or requirement of federal, state or local law or regulation, then the provisions of law and regulation shall control. Where applicable to the Contract, the provisions of the General Laws are incorporated by reference into this Contract.

10.2 The Contractor shall comply with all Federal, State and local laws, rules, regulations, policies and orders applicable to the Work provided pursuant to this Contract.

11. Conflict of Interest:

Both the Town and the Contractor acknowledge the provisions of the State Conflict of Interest Law (General Laws Chapter 268A), and this Contract expressly prohibits any activity which shall constitute a violation of that law. The Contractor shall be deemed to have investigated the application of M.G.L. c. 268A to the performance of this Contract.

12. Certification of Tax Compliance

This Contract must include a certification of tax compliance by the Contractor, as required by General Laws Chapter 62C, Section 49A (Requirement of Tax Compliance by All Contractors Providing Goods, Services, or Real Estate Space to the Commonwealth or Subdivision).

13. Non-Discrimination/Affirmative Action

The Contractor shall carry out the obligations of this Agreement in compliance with all requirements imposed by or pursuant to federal, State and local ordinances, statutes, rules and regulations and policies prohibiting discrimination in employment. Contractor shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap or sexual orientation.

14. Assignment:

The Contractor shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, and shall not assign any of the moneys payable under this Contract, except by and with the written consent of the Town.

15. Condition of Enforceability Against the Town:

This Contract is only binding upon, and enforceable against, the Town if: (1) the Contract is signed by the Board of Selectmen or its designee; and (2) endorsed with approval by the Town Accountant as to appropriation or availability of funds.

16. Corporate Contractor:

If the Contractor is a corporation and is being executed by a party other than its president, it shall endorse upon this Contract (or attach hereto) its Clerk's Certificate certifying the corporate capacity and authority of the party signing this Contract for the corporation. Such certificate shall be accompanied by a letter or other instrument stating that such authority continues in full force and effect as of the date the Contract is executed by the Contractor. This Contract shall not be enforceable against the Town of Grafton unless and until the Contractor complies with this section.

17. Minimum Wage/Prevailing Wage;

N/A

18. Liability of Public Officials:

To the full extent permitted by law, no official, employee, agent or representative of the Town of Grafton shall be individually or personally liable on any obligation of the Town under this Contract.

19. Indemnification:

The Contractor shall indemnify and save harmless the Town, the Town's officers, agents and employees, from and against any and all damages, liabilities, actions, suits, proceedings, claims, demands, losses, costs, expenses, recoveries and judgments of every nature and description (including attorneys' fees) that may arise out of any negligent act or omission by the Contractor, its employees, agents, subcontractors, material men, and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. For all claims arising out of other than professional services, the Contractor further agrees to reimburse the Town for damage to its property caused by the Contractor, its employees, agents, subcontractors or material men, and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including damages caused by his, its or their use of faulty, defective, or unsuitable material or equipment, unless the damage is caused by the Town's gross negligence or willful misconduct.

20. Insurance

20.1 Workers Compensation Insurance:

The Contractor shall provide by insurance for the payment of compensation and the furnishing of other benefits under Chapter 152 of the General Laws of Massachusetts (The Worker's Compensation Act) to all employees of the Contractor who are subject to the provisions of Chapter 152 of the General Laws of Massachusetts.

Failure to provide and continue in force such insurance during the period of this Contract shall be deemed a material breach of this Contract, shall operate as an immediate termination thereof, and Contractor shall indemnify the Town for all losses, claims, and actions resulting from the failure to provide the insurance required by this Article.

The Contractor shall furnish to the Town a certificate evidencing such insurance prior to the execution of this Contract before the same shall be binding on the parties thereto, except if specifically waived by the Town.

20.2 Professional Liability Insurance

Liability of \$1 million per claim and \$2 million aggregate.

Failure to provide and continue in force such insurance during the period of this Contract shall be deemed a material breach of this Contract, shall operate as an immediate termination thereof, and Contractor shall indemnify the Town for all losses, claims, and actions resulting from the failure to provide the insurance required by this Article.

20.3 Other Insurance Requirements

- a. Comprehensive commercial general liability insurance with limits of at least \$1 Million per occurrence and \$1 Million annual aggregate for property damage and \$1 Million per person and \$1 Million per occurrence for bodily injury, which shall include the Town of Grafton as an additional insured, and which shall cover bodily injury, sickness or disease, or death of any person including employees and those persons other than the Contractor's employees, and claims insured by usual personal liability coverage, death, or property damage arising out of the Work including injury or destruction of tangible property, including loss of use resulting therefrom.
- b. Motor vehicle insurance for any motor vehicles used in performing the Work, with limits of at least \$500,000 per person, and \$1 Million per accident.
- c. The intent of the Specifications regarding insurance is to specify minimum coverage and minimum limits of liability acceptable under the Contract. However, it shall be the Contractor's responsibility to purchase and maintain insurance of such character and in such amounts as will adequately protect it and the Town from and against all claims, damages, losses and expenses resulting from exposure to any casualty liability in the performance of the work, including and not limited to Professional liability insurance where applicable.

All policies shall identify the Town as an additional insured (except Workers' Compensation and professional liability). The Contractor must provide notice to the Town immediately upon the cancellation modification of the policy. All Certificates of Insurance shall be on the "MIIA" or "ACORD" Certificate of Insurance form, shall contain true transcripts from the policies, authenticated by the proper officer of the Insurer, evidencing in particular those insured, the extent of coverage, the location and operations to which the insurance applies, the expiration date and the above-mentioned notice clauses.

- d. The Contractor shall obtain and maintain during the term of this Contract the insurance coverage in companies licensed to do business in the Commonwealth of Massachusetts and acceptable to the Town.

21. No Employment

The Contractor acknowledges and agrees that it is acting as an independent Contractor for all services rendered pursuant to this Contract, and neither the Contractor, nor its employees, agents, servants nor any person for whose conduct the Contractor is responsible shall be considered an employee or agent of the Town for any purpose and shall not file any claim or bring any action for any worker's compensation unemployment benefits and compensation for which they may otherwise be eligible as a Town employee as a result of work performed pursuant to the terms of this Contract.

22. Payment

The Town agrees to make all reasonable efforts to pay to the Contractor the sum set forth in the Contractor's bid or proposal within thirty (30) days of receipt of an invoice detailing the work completed and acceptance from the Town of the work completed.

23. Waiver and Amendment

Amendments, or waivers of any additional term, condition, covenant, duty or obligation contained in this Contract may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

24. Severability

If any term or condition of this Contract or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Contract shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

25. Forum and Choice of Law

This Contract and any performance herein shall be governed by and be construed in accordance with the laws of the Commonwealth. Any and all proceedings or actions relating to subject matter herein shall be brought and maintained in the courts of the Commonwealth or the federal district court sitting in the Commonwealth, which shall have exclusive jurisdiction thereof. This paragraph shall not be construed to limit any other legal rights of the parties.

26. Notices

Any notice permitted or required under the provisions of this Contract to be given or served by either of the parties hereto upon the other party hereto shall be in writing and signed in the name or on the behalf of the party giving or serving the same. Notice shall be deemed to have been received at the time of actual service or three (3) business days after the date of a certified or registered mailing properly addressed. Notice to the Contractor shall be deemed sufficient if sent to the address set forth on page 1 or furnished from time to time in writing hereafter.

27. Binding on Successors:

This Contract is binding upon the parties hereto, their successors, assigns and legal representatives (and where not corporate, the heirs and estate of the Contractor). Neither the Town nor the Contractor shall assign or transfer any interest in the Contract without the written consent of the other.

28. Entire Agreement:

This Contract, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Contract supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

29. Change Orders

N/A

30. The Town hereby agrees that to the fullest extent permitted by law, VHB's total liability to Town and any persons or entities claiming by, through or under the Town, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to the Project and/or this Agreement from any cause or causes including, but not limited to VHB's negligence, errors, omissions, strict liability, statutory liability, indemnity obligation, breach of contract or breach of warranty shall not exceed \$50,000 (fifty thousand dollars).

31. Notwithstanding any other provision of this Agreement, neither party shall be liable to the other for any incidental, special, indirect or other consequential damages incurred due to the fault of the other party regardless of the nature of the fault or whether it was committed by the Town or VHB, or their employees, sub-consultants, or subcontractors. Consequential damages include, without limitation, liability for loss of use of the Project or existing property, loss of profits, loss of production or business interruption; however, the same may be caused.

IN WITNESS WHEREOF the parties have hereto and to two other identical instruments set forth their hands and executed this as an instrument under seal this the day and year first above written.

The Town of Grafton by:

The Contractor by:


Chairman, Board of Selectmen


Signature

4/6/15
Date

John J. Bechard, P.E.,

Managing Director

Print Name & Title

Certified as to Form:

Town Counsel

Date

Certified as to
Appropriation/Availability of Funds:


Town Accountant

4/10/15
Date

1.800.6420.0290

CERTIFICATION OF GOOD FAITH

The undersigned certifies under pains and penalties of perjury that this contract has been obtained in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

The Contractor by:

John J. Bechard

Print Name _____

Managing Director

Title/Authority

CERTIFICATE OF STATE TAX COMPLIANCE

Pursuant to Massachusetts General Laws, Chapter 62C, Section 49A

John J. Bechard _____, authorized signatory for

name of signatory

VHB/Vanasse Hangen Brustlin, Inc., whose

name of contractor

principal place of business is at Union Station, Suite 219, 2 Washington Square,
Worcester, MA 01604

Worcester, MA 01604 _____ does hereby certify under the pains and penalties of perjury that VHB/Vanasse Hangen Brustlin, Inc. has

name of contractor

paid all Massachusetts taxes and has complied with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

John J. Beckard

**ITEM 4D: VOTE TO APPROVE – CHAPTER 90 APPLICATION FOR
MAIN STREET - VHB**

I MOVE the Board vote to have the Chairman sign the Chapter 90 Project Request Application with VHB for the estimated amount of \$403,000

NOTES:

This is the Chapter 90 request for the Main Street reconstruction project.

STATE AID REIMBURSABLE PROGRAMS - PROJECT REQUEST

updated 12/17

*2 Original Signed Project Request Forms are to be submitted.

CONTRACT # 50813

PROGRAM TYPE: Chapter 90 ☒ Muni Bridge ☐ Complete Streets | 1 Other ☐

Project Name: MassDOT Project File No. 607903- Main Street (Route 122A),
Grafton, MA

Primary Road: _____

Local Road: _____

Bridge #: _____

City/Town: Grafton

Location(s) Entire length of Main Street (Route 122A)

Length: _____ feet

Width: _____ feet

PROJECT TYPE

Construction: ☐

Resurfacing: ☐

Engineering: ☒

Equipment: ☐

Other: _____

TYPICAL SECTION DETAILS: Indicate depths, special treatments, etc... Also please include sketch for Construction/Improvement Projects.

Surface: _____

Base Course: _____

Foundation: _____

Shoulders/Sidewalks: _____

SCOPE OF WORK:

Engineering design for 75%, 100% and PS&E for State TIP project No. 607903

WORK TO BE DONE:

Force Account: ☐

Advertised Contract: ☒

Other: _____

Estimated Cost (Please attach estimate and list funding source(s)): \$ 403,000

These funds will pay 100% of Local Road Project costs to the limit of this assignment

CERTIFICATION

The design, engineering, construction, and future performance of the project, including maintenance, is the responsibility of the Municipality. The proposed work will conform to recognized engineering and construction methods. I/We hereby certify under penalty of perjury the following: that the project is on a public way, and any necessary takings have been made; that all materials will comply with approved established specifications; that all weights and quantities will be accurate; that equipment rental rates are those established by MassDOT Highway or the advertised low bid; that all documentation will be checked for accuracy, and will be endorsed in accordance with municipal procedures for accountability.

Reviewed by:

Signed: _____

State Aid Engineer

Date

Road Classification Verified: _____

Approved for \$ _____ @ 100%

District Highway Director

Date

Signed: _____

Brian S. Szydlowski

3/1/18

Engineer

Highway Official's Title

Date

Accounting Official's Title

Date

Date

Duly Authorized Municipal Officials

**AMENDMENT NO. 2
FOR PROFESSIONAL SERVICES
BETWEEN
VANASSE HANGEN BRUSTLIN, INC.
AND
THE TOWN OF GRAFTON**

**MAIN STREET (ROUTE 122A) – FINAL DESIGN
GRAFTON, MASSACHUSETTS**

VHB PROJECT NO. 12462.01

FEBRUARY 15, 2018

Vanasse Hangen Brustlin, Inc., hereinafter called the "ENGINEER", will provide additional engineering consulting services to the TOWN OF GRAFTON, hereinafter called the "CLIENT", for the Main Street (Route 122A) Reconstruction Project in Grafton, Massachusetts, as set forth in this Scope of Services. This Scope of Services is Amendment No. 2 to the Original Contract dated April 10, 2015 and is subject to all Terms and Conditions of the Original Contract.

PART I

COMPENSATION – FIXED LABOR FEE PLUS EXPENSE

1. The total estimated compensation for performing the Scope of Services described in detail in this Agreement (following the signature page), is estimated below:

	<u>Amendment</u>	<u>Contract Total</u>
Fixed Labor Fee*	\$ 360,000	\$ 562,700
Survey, Geotechnical and Lighting	\$ 35,000	\$35,000
Design Allowances	\$ 8,000	\$15,500
Estimated Direct Costs	\$ 403,000	\$ 613,200
TOTAL ESTIMATED COST		

* Fixed Labor fee is defined as the fee for direct labor, overhead, and profit exclusive of direct costs.

2. The breakdown of the Fixed Labor Fee is as follows:

Tasks	Estimated Labor Fees
100 25% Highway Design Revisions	\$29,000
200 Environmental	\$34,000
300 75% Highway Design	\$140,000
400 100% Highway Design	\$85,000
500 Right of Way	\$20,000
600 Geotechnical Design*	\$5,000
700 Final Plans, Specifications & Estimate (PS&E)	\$35,000
800 Project Meetings	\$12,000
TOTAL ESTIMATED LABOR FEE	\$360,000

* Design fee includes budget for VHB to coordinate with its Geotechnical subconsultant. Work completed by the geotechnical sub-consultant to conduct 2 borings at the emergency traffic signal location will be billed to the CLIENT as an expense.

3. The total Fixed Labor Fee for services rendered in Tasks 100 through 800 will be invoiced monthly as a percentage of completion. A progress report outlining all activities, by Task, that were conducted during the invoice period will be included.
4. The ENGINEER will not exceed the total estimated Fixed Labor Fee or estimated direct costs as stated herein without the written approval of the CLIENT.
5. All direct costs (reimbursable expenses) for items such as printing, reproduction, supplies, photography, transportation, soils and materials testing, equipment rental, mail and deliveries will be invoiced to the CLIENT at cost. An initial upset limit for direct costs of \$8,000 has been established.
6. The CLIENT agrees to provide police services as required for all field activities such as highway survey, soil and pavement testing, etc. The ENGINEER will coordinate its schedule with the local police services, and the CLIENT will be responsible for payment of such services directly to the local police. Expenses for such services are not part of this agreement and, therefore, not included in the fee contained herein.
7. The ENGINEER will engage the services of a subconsultant for electrical engineering services for the design of the proposed street lighting system, as previously requested. An initial estimate of \$18,000 has been established for this effort, but will be dependent on actual subconsultant costs at the time of performance.
8. All schedules set forth in Part I of this Agreement begin upon receipt of a signed Agreement.

PERIODS OF SERVICE

1. The ENGINEER agrees to render services for Phase I (Tasks 100 through 800) within eighteen (18) months of the date of execution of this Agreement; however, this is subject to change based on MassDOT or Town reviews, the right-of-way process, and the date selected by MassDOT to advertise the project. VHB will provide updated schedules to the Town and MassDOT during this process.

**ITEM 4E: VOTE TO SIGN: CONTRACT TO RETAIN DODSON FLINKER
– ZONING CHANGE FOR WORCESTER STREET**

I MOVE the Board vote to sign the state contract to retain Dodson & Flinker in the amount of \$17,720.

NOTES:

On December 11, 2017, Town of Grafton was one of 37 cities and towns across the Commonwealth to be awarded a grant under the Executive Office of Energy and Environmental Affairs (EEA) Planning Assistance Grant Program. The Town of Grafton received \$16,000 under EEA's Grant Program for the development a smart growth zoning bylaw to guide redevelopment of an existing mixed-use development located at 215 Worcester Street/ 1 Hawthorne Street, also known as Bolack Plaza.

Announced by the Baker-Polito Administration as part of its new Housing Choice Initiative, the Lt. Governor Karyn Polito said, "The Commonwealth's cities and towns are instrumental in our efforts to create more housing, and the Housing Choice Initiative will provide municipalities with the tools and incentives needed to drive meaningful housing production that is appropriate for their community, maximizes land-use and creates opportunities for smart development."

The grant award will allow the Town to retain a consultant to work to implement recommendations of the recently completed Worcester Street Village Strategic Plan and to develop a zoning bylaw to encourage and guide redevelopment of the Bolack Plaza and adjacent areas.

SCOPE OF SERVICES

NORTH GRAFTON WORCESTER STREET VILLAGE SMART GROWTH BYLAW PROJECT GRAFTON, MASSACHUSETTS

February 20, 2018

A.) INTRODUCTION

The Town of Grafton, Massachusetts (the "Town") has received funding through the Executive Office of Energy and Environmental Affairs' (EEA) Planning Assistance Grant Program to retain a qualified consulting firm (the "Consultant") to develop a smart growth zoning bylaw to guide redevelopment of an existing mixed-use development located at 215 Worcester Street/ 1 Hawthorne Street. The Town of Grafton recently completed the North Grafton Worcester Street Strategic Plan (the Strategic Plan) dated July 12, 2017 prepared by Dodson & Flinker/ Brovitz with funding through the Community Compact initiative. The Plan provided recommendations for the development of a smart growth zoning bylaw, which this grant application seeks funding to implement.

B.) PROJECT SUMMARY

The Town of Grafton was awarded a grant to implement zoning recommendations that resulted from the Strategic Plan. The properties of 215 Worcester Street and 1 Hawthorn Road are on the market for sale. There are 2 base zoning districts that cover the Project Area - the Community Business (CB) District and the Residential (R20) District. The existing mixed-use development at 215 Worcester Street/ 1 Hawthorne Street is divided nearly in half by the CB and R20 Districts. The split zoning and pre-existing nonconforming nature of the existing structures and uses on the property prevent the redevelopment of the plaza in a comprehensive manner.

Following a series of public workshops and a community walking tour, the consultants developed a plan that provided an overall vision for the area, developed conceptual development scenarios, and recommendations for the development of a smart grown zoning bylaw to facilitate and guide redevelopment of the project area. Specifically, the Plan recommended the following:

The Town should create a Neighborhood Center Mixed Use District (NCMUD) as a new base zoning district to replace the CB district and portions of the R-20 district in the WSNCG Project Area. Future expansion of this new district might also incorporate properties on the north side of Worcester Street currently in the CB and OLI zoning districts. This would enclose both sides of Worcester Street with attractive buildings, creating an attractive gateway into Grafton.

Purpose and Intent

The NCMUD should provide for small scale and neighborhood oriented mixed uses including commercial, light industrial (fabrication and maker space), civic/ publicly-oriented uses, and a range of residential unit types other than detached single family homes. Zoning standards should ensure that the scale and density of development is compatible with the surrounding neighborhood; occurs in a pedestrian-oriented pattern with buildings placed toward the front of the property creating enclosure on the street; parking located to the side or rear of the buildings; integration of attractive streetscapes and active gathering spaces on site; and connected to surrounding properties with sidewalks to enhance walkability

The Town of Grafton entered into a Community Compact with the State in 2015 and designated Housing and Economic Development – Preparing for Success as its best practice. Funds from the State were used to develop the Strategic Plan, which this project seeks funding to implement.

C.) PROJECT AREA

The North Grafton Worcester Street Village Project Area includes a series of dilapidated and underutilized properties with potential for redevelopment that could provide a mix of residential and commercial uses at a pedestrian scale, readily accessible to the surrounding neighborhood while serving as a major gateway into Grafton. The Project Area is in the northwest corner of Grafton along State Route 122. It is less than ½ mile from the Millbury town line to the west and about 1 mile from the Shrewsbury town line to the north. Worcester Street is the primary gateway into Grafton from the west. It is also the main access point to the City of Worcester as well as the Massachusetts Turnpike (Exit 11) which is approximately 1 mile directly west along Rt. 122 from the project area.

The Project Area is served by public water and sewer provided by the Town of Grafton with sufficient capacity for future growth. Eversource provides electric power, and NStar provides medium pressure natural gas to the project area and fiber optic cable is available in Route 122.

D.) PROJECT TASKS

The project is comprised of the tasks listed below. However, the Consultant and the Town may agree upon modifications to the following scope which may further the project purpose and goals described above. Due to the wide range and varied nature of the issues and subject matter, a team approach is strongly recommended.

Task 1. Conduct project “kick-off” meeting.

The Consultant will conduct a meeting in Grafton with the Planning Board and Planning Department Staff and other key project participants. The purpose of the meeting will be to review, and if necessary refine, the Project objectives. Tentative dates and format for the community workshops will be discussed

Task 2. Identify goals and “vision” of the residents and other participants with respect to future development and re-development within the Project Area.

Organize and schedule community planning workshop or “charrette”.

a. Refine Conceptual Development Scenarios.

The Consultant will refine material from the Strategic Plan to provide specific information on massing, developable area, open space, pedestrian accommodations, parking, and number of residential units.

b. Conduct community planning workshop or “charrette”.

One (1) workshop will be conducted as part of this Task. The presentations/discussions will be organized around themes (housing, pedestrian accommodations/ open space, land use, infrastructure, density/massing, etc.)

The purpose/format of the workshops is as follows:

- Present known information regarding existing conditions (brief overview – allow participants time to view posters, maps, pictures, etc.);
- A build out potential based on available infrastructure, natural constraints, market conditions and economic viability.
- Identify a “vision” and a preliminary list of goals to incorporate into a zoning bylaw.

The workshop schedule should be designed to allow adequate time for each of the items noted in the above list. It is anticipated that the workshop will be conducted in the evening and last approximately 2 – 2 ½ hours.

Grafton Planning Department staff will assist the Consultant with preparing for the workshops by making personnel available to perform the following: prepare public notices for the meetings; scheduling/arranging meeting locations (facilities); copying/distributing notices for meetings; and (if possible) arrange for videotaping of workshops with copy of tape to be provided to the Consultant. Planning Department staff, as well as other key project participants, will also assist with the presentations during the workshop. The details regarding such shall be determined by the Town and Consultant as part of Task 1.

Task 3. Develop a framework for Smart Growth Zoning Bylaw.

The Consultant will prepare a detailed analysis of the “charrette” and goals of the residents, local Boards and Committees, and other project participants with a vested interest in the future development of this part of Grafton. Framework will guide the development of the bylaw.

Task 4. Preparation of Smart Growth Zoning Bylaw Draft.

Based on feedback in Task 4, the Consultant shall prepare a draft Smart Growth Zoning Bylaw for the Planning Board, Planning Department Staff, and others for review and comment.

Task 5. Presentation of Plan to Town

The Consultant shall conduct a final presentation of the Bylaw to the Town. The format of the presentation will be determined by the Planning staff and Consultant prior to completing the final Plan document (Task 7). It is anticipated that this presentation will last approximately 1 - 1 ½ hours.

E.) PROJECT DELIVERABLES

Twenty (20) bound copies, and one (1) unbound copy, of the completed Bylaw Implementation document shall be delivered to the Town. The document, including all inventories, databases, maps, and other media developed under this Scope of Work, to support the development of the Bylaw.

F.) PROJECT BUDGET AND TIMELINE

The Town has established a budget for the project of \$20,000. The proposed budget is included as Attachment A. The Town is proposing an in-kind contribution of \$2,280 and financial contribution of \$1,720. The portion of the grant and Town’s financial contribution for the project that will be available to the Consultant is \$17,720.

It is the Town’s intent to complete the Project prior to August 30, 2018 and ideally in order to have the Bylaw considered by October 2018 Fall Annual Town Meeting.

ATTACHMENT A

North Grafton Worcester Street Village Bylaw Budget

	Total Cost =	Community Matching Funds	Community In-kind Contribution +	EEA Planning Grant Assistance Grant Funds
Tasks for FY 2018				
Task 1: Project Kick off meeting	\$1,000			\$1,000
Task 2a: Development of refined conceptual development scenarios	\$3,000	1,000	\$330	\$1670
Task 2.b: Community Charrette – hold public meeting to gather consensus of project goals and densities.	\$5,000	720	\$265	\$4,015
Task 3: Develop framework for Smart Growth Zoning Bylaw	\$4,000			\$4,000
Tasks for FY 2019				
Task 4: Draft Bylaw	\$4,000		\$400	\$3,600
Task 5: Completion and Presentation of final bylaw based on Board/ Staff/ Public Comment.	\$2,000		\$285	\$1,715
General Coordination/ Grant Admin/ Web Design	\$1,000		\$1,000	0
Totals	\$20,000	\$1,720	\$2,280	\$16,000

TOWN OF GRAFTON

STATE CONTRACT # (if applicable) _____

DATE:

This Contract is entered into on, or as of, this date by and between the Town of Grafton, 30 Providence Road, Grafton, MA 01519 (the "Town"), and

Dodson & Flinker
40 Main Street
Suite 101
Florence, Massachusetts 01062
413.628.4496
413.628.3216 (fax)
info@dodsonflinker.com
[email address]

1. This is a Contract for the procurement of the following: The scope of work a defined by the "Scope of Services, North Grafton Worcester Street Village Smart Growth Bylaw Project, Grafton Massachusetts" incorporated by reference herein.

2. The Contract price to be paid to the Contractor by the Town is: \$17,720

3. Payment will be made as follows:

3.1 Fees and Reimbursable Costs combined shall not exceed \$17,720 as more fully set forth in the Contractor Documents.

3.2 There shall be no further costs, fees or reimbursable charges due the Contractor under this Contract unless said fees and/or costs are so set forth in writing. The Town will not pay any surcharge or premium on top of the direct out of pocket expenses, if any.

3.3 Final payment including any unpaid balance of the Contractor's compensation shall be due and payable when the Project/Services is/are delivered to the Town when the project is completed, and the services are complete, and/or the goods are delivered and accepted.

4. Definitions:

4.1 Contract Documents: All documents relative to the Contract including (where used) Request for Proposals and all attachments thereto, Instructions to Bidders, Proposal Form, Specifications. The Contract documents are complementary, and what is called for by any one shall be as binding as if called for by all.

4.2 Date of Substantial Performance: The date when the work is sufficiently complete and the services are performed, in accordance with Contract documents, as modified by approved Amendments and Change Orders.

4.3 Services: shall mean furnishing of labor, time, or effort by the Contractor. This term shall not include employment agreements, collective bargaining agreements, or grant agreements.

4.4 Work: The services or materials contracted for, or both.

5. Term of Contract and Time for Performance:

This Contract shall be fully performed by the Contractor in accordance with the provisions of the Contract Documents on or before December 30, 2018, unless extended, in writing, at the sole discretion of the Town, and not subject to assent by the Contractor. Time is of the essence for the completion of the Contract.

6. Subject to Appropriation:

Notwithstanding anything in the Contract Documents to the contrary, any and all payments which the Town is required to make under this Contract shall be subject to appropriation or other availability of funds as certified by the Town Accountant. In the absence of appropriation or availability as certified herein, this Contract shall be immediately terminated without liability for damages, penalties or other charges to the Town.

7. Permits and Approvals:

Permits, Licenses, Approvals and all other legal or administrative prerequisites to its performance of the Contract shall be secured and paid for by the Contractor.

8. Termination and Default:

8.1 Without Cause. The Town may terminate this Contract on seven (7) calendar days notice when in the Town's sole discretion it determines it is in the best interests of the Town to do so, by providing notice to the Contractor, which shall be in writing and shall be deemed delivered and received when given in person to the Contractor, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the Contractor. Upon termination without cause, Contractor will be paid for services rendered to the date of termination.

8.2 For Cause. If the Contractor is determined by the Town to be in default of any term or condition of this Contract, the Town may terminate this Contract on seven (7) days notice by providing notice to the Contractor, which shall be in writing and shall be deemed delivered and received when given in person to the Contractor, or when received by fax, express mail, certified mail return receipt requested, regular mail postage prepaid or delivered by any other appropriate method evidencing actual receipt by the Contractor.

8.3 Default. The following shall constitute events of a default under the Contract: any material misrepresentation made by the Contractor to the Town; 2) any failure to perform any of its obligations under this Contract including, but not limited to the following: (i) failure to commence performance of this Contract at the time specified in this Contract due to a reason or circumstance within the Contractor's reasonable control, (ii) failure to perform this Contract with sufficient personnel and equipment or with sufficient material to ensure the completion of this Contract within the specified time due to a reason or circumstance within the Contractor's reasonable control, (iii) failure to perform this Contract in a manner reasonably satisfactory to the Town, (iv) failure to promptly re-perform within a reasonable time the services that were rejected by the Town as unsatisfactory, or erroneous, (v) discontinuance of the services for reasons not beyond the Contractor's reasonable control, (vi) failure to comply with a material term of this Contract, including, but not limited to, the provision of insurance and non-discrimination, (vii) any other acts specifically and expressly stated in this Contract as constituting a basis for termination of this Contract, and (viii) failure to comply with any and all requirements of state law and/or regulations, and Town bylaw and/or regulations.

9. The Contractor's Breach and the Town's Remedies:

Failure of the Contractor to comply with any of the terms or conditions of this Contract shall be deemed a material breach of this Contract, and the Town of Grafton shall have all the rights and remedies provided in the Contract documents, the right to cancel, terminate, or suspend the Contract in whole or in part, the right to maintain any and all actions at law or in equity or other proceedings with respect to a breach of this Contract, including "Damages" including but not limited to costs, attorney's fees or other damages resulting

form said breach ("Damages") as well as specific performance, and the right to select among the remedies available to it by all of the above.

10. Statutory Compliance:

10.1 This Contract will be construed and governed by the provisions of applicable federal, state and local laws and regulations; and wherever any provision of the Contract or Contract Documents shall conflict with any provision or requirement of federal, state or local law or regulation, then the provisions of law and regulation shall control. Where applicable to the Contract, the provisions of the General Laws are incorporated by reference into this Contract.

10.2 The Contractor shall comply with all Federal, State and local laws, rules, regulations, policies and orders applicable to the Work provided pursuant to this Contract.

11. Conflict of Interest:

Both the Town and the Contractor acknowledge the provisions of the State Conflict of Interest Law (General Laws Chapter 268A), and this Contract expressly prohibits any activity which shall constitute a violation of that law. The Contractor shall be deemed to have investigated the application of M.G.L. c. 268A to the performance of this Contract.

12. Certification of Tax Compliance

This Contract must include a certification of tax compliance by the Contractor, as required by General Laws Chapter 62C, Section 49A (Requirement of Tax Compliance by All Contractors Providing Goods, Services, or Real Estate Space to the Commonwealth or Subdivision).

13. Non-Discrimination/Affirmative Action

The Contractor shall carry out the obligations of this Agreement in compliance with all requirements imposed by or pursuant to federal, State and local ordinances, statutes, rules and regulations and policies prohibiting discrimination in employment. Contractor shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap or sexual orientation.

14. Assignment:

The Contractor shall not assign, sublet or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, and shall not assign any of the moneys payable under this Contract, except by and with the written consent of the Town.

15. Condition of Enforceability Against the Town:

This Contract is only binding upon, and enforceable against, the Town if: (1) the Contract is signed by the Board of Selectmen or its designee; and (2) endorsed with approval by the Town Accountant as to appropriation or availability of funds.

16. Corporate Contractor:

If the Contractor is a corporation and is being executed by a party other than its president, it shall endorse upon this Contract (or attach hereto) its Clerk's Certificate certifying the corporate capacity and authority of the party signing this Contract for the corporation. Such certificate shall be accompanied by a letter or other instrument stating that such authority continues in full force and effect as of the date the Contract is executed by the Contractor. This Contract shall not be enforceable against the Town of Grafton unless and until the Contractor complies with this section.

17. Minimum Wage/Prevailing Wage:

The Contractor will carry out the obligations of this Contract in full compliance with all of the requirements imposed by or pursuant to G. L. c. 151, §1, *et seq.* (Minimum Wage Law) and the wage rates as set forth in G.L. c. 149 §26 to 27D (prevailing Wage).

18. Liability of Public Officials:

To the full extent permitted by law, no official, employee, agent or representative of the Town of Grafton shall be individually or personally liable on any obligation of the Town under this Contract.

19. Indemnification:

The Contractor shall indemnify, defend and save harmless the Town, the Town's officers, agents and employees, from and against any and all damages, liabilities, actions, suits, proceedings, claims, demands, losses, costs, expenses, recoveries and judgments of every nature and description (including attorneys' fees) that may arise in whole or in part out of or in connection with the work being performed or to be performed, or out of any act or omission by the Contractor, its employees, agents, subcontractors, material men, and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. The Contractor further agrees to reimburse the Town for damage to its property caused by the Contractor, its employees, agents, subcontractors or material men, and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including damages caused by his, its or their use of faulty, defective, or unsuitable material or equipment, unless the damage is caused by the Town's gross negligence or willful misconduct.

The foregoing provisions shall not be deemed to be released, waived, limit or modified in any respect by reason of any surety or insurance provided by the Contractor under the Contract.

20. Insurance

20.1 Workers Compensation Insurance:

The Contractor shall provide by insurance for the payment of compensation and the furnishing of other benefits under Chapter 152 of the General Laws of Massachusetts (The Worker's Compensation Act) to all employees of the Contractor who are subject to the provisions of Chapter 152 of the General Laws of Massachusetts.

Failure to provide and continue in force such insurance during the period of this Contract shall be deemed a material breach of this Contract, shall operate as an immediate termination thereof, and Contractor shall indemnify the Town for all losses, claims, and actions resulting from the failure to provide the insurance required by this Article.

The Contractor shall furnish to the Town a certificate evidencing such insurance prior to the execution of this Contract before the same shall be binding on the parties thereto, except if specifically waived by the Town.

20.2 Professional Liability Insurance

Liability of \$1 million per claim and \$3 million aggregate.

Failure to provide and continue in force such insurance during the period of this Contract shall be deemed a material breach of this Contract, shall operate as an immediate termination thereof, and Contractor shall indemnify the Town for all losses, claims, and actions resulting from the failure to provide the insurance required by this Article.

20.3 Other Insurance Requirements

- a. Comprehensive commercial general liability insurance with limits of at least \$1 Million per occurrence and \$3 Million annual aggregate for property damage and \$1 Million per person and \$3 Million per occurrence for bodily injury, which shall include the Town of Grafton as an additional insured, and which shall cover bodily injury, sickness or disease, or death of any person including employees and those persons other than the Contractor's employees, and claims insured by usual personal liability coverage, death, or property damage arising out of the Work including injury or destruction of tangible property, including loss of use resulting therefrom.
- b. Motor vehicle insurance for any motor vehicles used in performing the Work, with limits of at least \$500,000 per person, and \$1 Million per accident.

- c. The intent of the Specifications regarding insurance is to specify minimum coverage and minimum limits of liability acceptable under the Contract. However, it shall be the Contractor's responsibility to purchase and maintain insurance of such character and in such amounts as will adequately protect it and the Town from and against all claims, damages, losses and expenses resulting from exposure to any casualty liability in the performance of the work, including and not limited to Professional liability insurance where applicable.

All policies shall identify the Town as an additional insured (except Workers' Compensation) The Contractor must provide notice to the Town immediately upon the cancellation modification of the policy. All Certificates of Insurance shall be on the "MIIA" or "ACORD" Certificate of Insurance form, shall contain true transcripts from the policies, authenticated by the proper officer of the Insurer, evidencing in particular those insured, the extent of coverage, the location and operations to which the insurance applies, the expiration date and the above-mentioned notice clauses.

- d. The Contractor shall obtain and maintain during the term of this Contract the insurance coverage in companies licensed to do business in the Commonwealth of Massachusetts and acceptable to the Town.

21. No Employment

The Contractor acknowledges and agrees that it is acting as an independent Contractor for all services rendered pursuant to this Contract, and neither the Contractor, nor its employees, agents, servants nor any person for whose conduct the Contractor is responsible shall be considered an employee or agent of the Town for any purpose and shall not file any claim or bring any action for any worker's compensation unemployment benefits and compensation for which they may otherwise be eligible as a Town employee as a result of work performed pursuant to the terms of this Contract.

22. Payment

The Town agrees to make all reasonable efforts to pay to the Contractor the sum set forth in the Contractor's bid or proposal within thirty (30) days of receipt of an invoice detailing the work completed and acceptance from the Town of the work completed.

23. Waiver and Amendment

Amendments, or waivers of any additional term, condition, covenant, duty or obligation contained in this Contract may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.

24. Severability

If any term or condition of this Contract or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Contract shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

25. Forum and Choice of Law

This Contract and any performance herein shall be governed by and be construed in accordance with the laws of the Commonwealth. Any and all proceedings or actions relating to subject matter herein shall be brought and maintained in the courts of the Commonwealth or the federal district court sitting in the Commonwealth, which shall have exclusive jurisdiction thereof. This paragraph shall not be construed to limit any other legal rights of the parties.

26. Notices

Any notice permitted or required under the provisions of this Contract to be given or served by either of the parties hereto upon the other party hereto shall be in writing and signed in the name or on the behalf of the party giving or serving the same. Notice shall be deemed to have been received at the time of actual service or three (3) business days after the date of a certified or registered mailing properly addressed. Notice to the

Contractor shall be deemed sufficient if sent to the address set forth on page 1 or furnished from time to time in writing hereafter.

27. Binding on Successors:

This Contract is binding upon the parties hereto, their successors, assigns and legal representatives (and where not corporate, the heirs and estate of the Contractor). Neither the Town nor the Contractor shall assign or transfer any interest in the Contract without the written consent of the other.

28. Entire Agreement:

This Contract, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Contract supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

29. Change Orders

Change orders may not increase the contract price by more than twenty-five (25%) per cent, in compliance with General Laws Chapter 30B, §13.

IN WITNESS WHEREOF the parties have hereto and to two other identical instruments set forth their hands and executed this as an instrument under seal this the day and year first above written.

The Town of Grafton by:

The Contractor by:

Chairman, Board of Selectmen

Signature

Date

Print Name & Title

Certified as to Form:

Town Counsel

Date

Certified as to
Appropriation/Availability of Funds:

Town Accountant

Date

CERTIFICATION OF GOOD FAITH

The undersigned certifies under pains and penalties of perjury that this contract has been obtained in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

The Contractor by:

Print Name

Title/Authority

CERTIFICATE OF STATE TAX COMPLIANCE

Pursuant to Massachusetts General Laws, Chapter 62C, Section 49A

_____, authorized signatory for
name of signatory

_____, whose
name of contractor
principal place of business is at

_____,
_____ does hereby certify under the pains and penalties of
perjury that _____ has
name of contractor
paid all Massachusetts taxes and has complied with all laws of the Commonwealth of
Massachusetts relating to taxes, reporting of employees and contractors, and withholding
and remitting child support.

DISCUSSION ITEM 8A: MEETING MINUTES FOR FEBRUARY 20, 2018

I MOVE the Board vote to approve the drafted meeting minutes from February 20, 2018.



TOWN OF GRAFTON
GRAFTON MEMORIAL MUNICIPAL CENTER
30 PROVIDENCE ROAD

GRAFTON, MASSACHUSETTS 01519
(508) 839-5335 ext 1100 • FAX (508) 839-4602
www.grafton-ma.gov

**BOARD OF SELECTMEN
MEETING MINUTES**

February 20, 2018
Municipal Center, Conference Room A
7:00 p.m.

CALL TO ORDER at 7:00 p.m.

A regular meeting was called to order at 7:00 p.m. Present was Chairman Bruce Spinney III, Vice Chair Sargon Hanna, Craig Dauphinais and Brook Padgett. Staff present was Town Administrator Tim McInerney, Assistant Town Administrator Rebecca Meekins, and Administrative Assistant Nicole Larson.

ANNOUNCEMENTS

The following announcements were made:

- **Nomination Papers for Town Election Now Available.** Any registered voter of Grafton can pull papers during regular business hours from the Town Clerk's office. Nomination papers must contain the names of at least 50 registered voters of Grafton, but candidates are urged to submit more than the minimum required in case some names or signature cannot be verified. Papers must be submitted to the Registrar of Voters, through the Town Clerk's office, by 5:00 p.m. on Tuesday, March 27th for certification and candidates may withdraw their nomination papers up until 5:00 p.m. on Thursday, April 12th. See the Town Web Page for information on open seats.
- **The Lions Club is holding a Wine & Beer Tasting Charity on March 10th.** All proceeds will go to support the Grafton Historical Society. The event will be held from 7pm to 10pm in the Grafton Municipal Center Gymnasium. The event will include hot & cold Hors d'oeuvres, food pairings, raffles and door prizes. Admission Donation for the event is \$25 per person

SCHEDULE ITEM 1A: DAVE MURADIAN – BUDGET UPDATE

Mr. Murdaian spoke to the Board on the following:

- Governor's House 2 budget: 62,000 increases from last year. He noted the totals for Grafton as a result of this increase of approximately 1% for Chapter 70 funds.
- The Governor filed a Chapter 90 bill for helping with roads.
- Budget included \$5,000,000 for Tufts Veterinary Hospital

- DCAMM property on Pine Street on Rt. 30 funds have been requested.
- He noted the amendment request process in April.
- Special education circuit breaker account increases.

Mr. Dauphinais noted the relationship of the 1% of Chapter 70 funds coming from the State in relationship to the rest of the 5% increase in the school budget, raised by the resident's taxes. Mr. Muradian noted that the foundation report came out this past year and that he will be advocating for more funds per pupil.

SCHEDULE ITEM 1B: REUNION TAP & TABLE – LIQUOR LICENSE – 198 WORCESTER STREET

Mr. Hanna recused himself from the discussion. Mr. Spinney announced the item and Mr. Padgett read the legal notice for the public hearing.

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to open the public hearing for the application for a Retail Alcoholic Beverages License for Tap & Table 198, LLC for Hanna Briggs Restaurant Group, LLC. **MOTION** carried unanimously 3 to 0.

Mr. McInerney noted the changes on page 2 of the liquor license made after the posting of the legal notice. Josh Briggs and Gary Benacauista were present for the hearing and gave the Board their personal history working in the restaurant industry and their hopes for bringing a successful restaurant business to town. Both discussed their intentions with insuring the safety and dedication of their alcohol service. Mr. Dauphinais noted the aggressive approach to safety the Board has with alcohol licensing. The restaurant is set to open in June of 2018.

Doug Radigan of Bowditch Attorneys was present to represent John Schofield, abutter to 198 Worcester Street. He noted his client is concerned with the noise created and the traffic impact this restaurant may have on the existing businesses next door. He noted the access easement for parking located in the rear of the building and expressed his concern for the safety and over congestion of the parking lot.

Kim Shortman, 16 Beverly Road in North Grafton asked the applicant for the specific service times. Mr. Briggs noted that the restaurant will likely stay open until 11pm on the weekends and 10pm during the week. Motion carried unanimously 3 to 0.

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to close the public hearing for a Retail Alcoholic Beverages License for Tap & Table 198, LLC for Hanna Briggs Restaurant Group, LLC. **MOTION** carried unanimously 3 to 0.

MOTION by Mr. Padgett, **SECOND** by Mr. Dauphinais, to approve the application for a Retail Alcoholic Beverages License for Tap & Table 198, LLC for Hanna Briggs Restaurant Group, LLC. **MOTION** carried unanimously 3 to 0.

ITEM 4A: VOTE TO SIGN – CONTRACT FOR RT. 30 SEWER LINE – CDM SMITH

Mr. McInerney discussed the

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to sign the contract for Westboro Road Sewer Extension Preliminary Design with CDM Smith, Inc. **MOTION** carried unanimously 3 to 0.

ITEM 3: APPOINTMENTS

No appointments heard.

ITEM 4B: VOTE TO APPROVE – ONE DAY BEER AND WINE LICENSE – MARCH 24, 2018 – TOUCHSTONE SCHOOL

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to approve the One Day Beer and Wine License for March 24, 2018 for the Touchstone School. **MOTION** carried unanimously 3 to 0.

AMENDED MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to approve the One Day All Liquor License for March 24, 2018 for the Touchstone School. **MOTION** carried unanimously 3 to 0.

Mr. Hanna rejoined the meeting at 7:40 p.m.

ITEM 4C: VOTE TO APPROVE – ONE DAY BEER AND WINE LICENSE – MARCH 23, MARCH 30, APRIL 28, MAY 5, 2018 – CUMMINGS SCHOOL OF VETERINARY MEDICINE; TUFTS UNIVERSITY

No discussion on the motion.

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to approve the One Day Beer and Wine License for March 23, March 30, April 28 and May 5, 2018 for the Cummings School of Veterinary Medicine – Tufts University. **MOTION** carried unanimously 3 to 0.

ITEM 4D: VOTE TO APPROVE – ONE DAY BEER AND WINE LICENSE – MARCH 18, 2018 – VETERANS OF FOREIGN WARS

It was noted that the event was taking place at the South Grafton VFW.

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to approve the One Day Beer and Wine License for March 18, 2018 for the Veterans of Foreign Wars. **MOTION** carried unanimously 3 to 0.

RESIGNATION ITEM 2A: VOTE TO ACCEPT – DAN MAHONEY – MECHANIC – DEPARTMENT OF PUBLIC WORKS

No discussion on the motion.

MOTION by Mr. Dauphinais, **SECOND** by Mr. Padgett, to accept the resignation of Dan Mahoney, Department of Public Works Mechanic. **MOTION** carried unanimously 3 to 0.

SCHEDULE ITEM 1C: TOWN ADMINISTRATOR BUDGET PRESENTATION

At 7:45 Finance Committee members joined the Board Meeting. Present for the discussion was Chairman Edward Prisby, Vice Chairman Roger Currier, Matthew Often, Sue Robbins, Irene Houle, Mark Haddad Barry Smith and Sue Fiacco. Mr. McInerney welcomed the members and Mr. Prisby opened the public hearing for the Finance Committee. Mr. McInerney discussed savings to the residents with solar

energy and solar renewable energy credits. He noted the budget goals of the Administration. He discussed community demographics, insurance increases, cost savings and revenue initiatives, including Green Communities Grant, marijuana host agreements, debt refinancing and municipal improvements. Mr. McInerney added that new growth in 2018 in Grafton was the highest it has been in five years. It was noted that the Board has offset the raise in tax revenue per resident by way of the renewable energy agreements put in place by the Board of Selectmen in 2017. There were 3 changes noted since printing the budget on 2/13/18 included FY19 Blackstone Valley Assessment, recommend that DPW budget is restored to avoid use of Chapter 90 funds for maintenance expenses. The Board discussed the allowance of line item budget for the DPW and its impact to the Town. Mr. Dauphinais noted his preference to not pull funds from the DPW budget. Changes to revenue included Sewer Debt payments and excise tax income. Mr. Spinney noted the request from seniors to add parking for highly attended events. Mr. Dauphinais noted the potential for the school to request CPC funds for technology updates. Mr. McInerney concluded with potential tax income from several projects in the Town currently underway for development.

At 8:42 p.m. Mr. Dauphinais left the meeting. At 8:45 p.m. Mr. Dauphinais returned to the meeting.

Finally, current projections were discussed. Mr. Spinney noted the advantages to seeing industrial/commercial growth verses residential growth. The Board and Finance Committee discussed the following:

- Sources for 1% cuts with in departments.
- Contract changes including GMEA, Police, Trash and Recycling.
- Free Cash and Capital expenditures, including budgeting for replacement of capital items.

Mr. McInerney wrapped up the discussion with potential threats to the budget and points to remember moving forward.

At 9:27 p.m. Finance Committee members exited the meeting.

ITEM 5: SELECTMEN REPORTS / TA REPORTS

Mr. Spinney noted that the Affordable Housing is putting together information for the Hudson Ave/Millbury Street property. He also requested that more information on 20 Creeper Hill Road development potential be requested form the Town Planner, Joe Laydon.

ITEM 7A: DISCUSSION – MUNICIPAL LITIGATION ENGAGEMENT DISCUSSION – OPIOID CRISIS

Mr. McInerney asked if the Board would like to join the litigation. The Board requested to hold a vote on entering the litigation on March 6, 2018. No attorney presence necessary.

ITEM 6: CORRESPONDENCE

Mr. Hanna read the correspondence from Bill Yeomans requesting the raise the Building Permit Fees. Mr. McInerney noted that currently we bring in about 400K per year. The increases as requested would bring in an additional \$300K per year. The

Board requested that the Building Inspector provide analysis on the issue in order to determine how to proceed.

ITEM 8A: MEETING MINUTES – BOARD OF SELECTMEN – FEBRUARY 6, 2018

MOTION by Mr. Hanna, **SECOND** by Mr. Padgett, to approve the meeting minutes, with edits, for February 6, 2018. **MOTION** carried unanimously 3 to 0.

ADJOURNMENT

MOTION by Mr. Padgett, **SECOND** by Mr. Hanna to adjourn Town Meeting at 8:14 p.m. **MOTION** carried unanimously 3 to 0.

Meeting adjourned at 9:42 p.m.

EXHIBITS:

- Tandard Form of Agreement Between Owner and Engineer, from CDM Smith, dated February 13, 2018, 17 pages.
- Application packet for Retail Alcoholic Beverages License, Tap & Table 198, LLC; 28 pages.
- Email, Subject: Dan Mahoney, To Kevin Gallagher, dated February 14, 2018; 1 page.
- Application Packet for One Day All Alcoholic License, signed by Kathleen Little of Touchstone Community School, dated and received February 9, 2018, 5 pages.
- Application Packet for One Day Beer and Wine License, signed by Barbara Berman of Cummings School of Veterinary Medicine, Tufts University, dated and received February 13, 2018, 10 pages.
- Application Packet for One Day Beer and Wine License, signed by Stanley P. Stopyra, Commander of the Veterans of Foreign Wars, received February 12, 2018, 2 pages.
- Correspondence, from Bill Yeomans, 14 West Street, to Bruce Spinney, Chairman, Board of Selectmen, Subject: Request that the Board of Selectmen consider raising the Grafton Building Permit Fee, dated February 8, 2018; 2 pages.
- Draft Meeting Minutes, dated February 6, 2018; 7 pages.

These minutes were approved by the Planning Board on: _____